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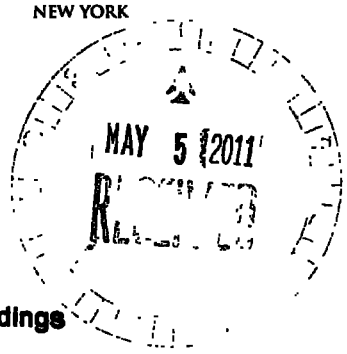

May 5, 2011

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Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

RE: Docket No. NOR 42121, Total Petrochemicals USA, Inc. v. CSX Transportation, Inc.

Dear Ms. Brown:

Enclosed for filing in the above-captioned case please find an original and ten (10) copies of the **Public Confidential** version of the Opening Market Dominance Evidence of Total Petrochemicals USA, Inc. ("TPI").

Three (3) CDs are enclosed as well. These CDs contain the Public Version of TPI's Opening Market Dominance Evidence.

I have enclosed one additional copy of the pleading for stamp and return. Kindly date-stamp the additional copy for return to this office by messenger.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

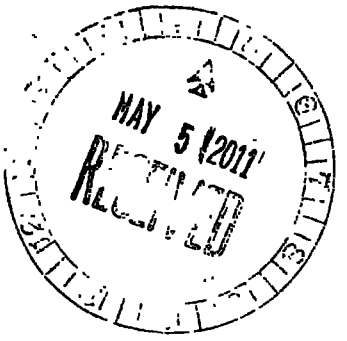
Jeffrey O. Moreno
Counsel for Total Petrochemicals USA, Inc.

Enclosures

cc: counsel for defendant CSX Transportation, Inc.

PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD



TOTAL PETROCHEMICALS USA, INC.	)	
Complainant,	)	
v.	)	**Docket No. NOR 42121**
CSX TRANSPORTATION, INC	)	
Defendant.	)	

OPENING MARKET DOMINANCE EVIDENCE OF

TOTAL PETROCHEMICALS USA, INC.

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May 5, 2011

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Part I

PUBLIC VERSION

PART I

COUNSEL'S ARGUMENT AND SUMMARY OF EVIDENCE

Pursuant to the procedural schedule served by the Surface Transportation Board ("Board" or "STB") on April 5, 2011 in this case, TOTAL PETROCHEMICALS USA, INC. ("TPI") hereby submits its Opening Evidence on market dominance. TPI has followed the format set forth in General Procedures for Presenting Evidence in Stand-Alone Cost Rate Cases, STB Ex Parte No. 347 (Sub-No. 3) (served March 12, 2001). However, because this round of evidence is limited solely to market dominance, only Parts I, II and IV are included herein.

TPI challenges the reasonableness of common carrier rail rates established by CSX Transportation, Inc. ("CSXT") for the transportation of five commodities in carload traffic over the 104 lanes described herein.[1] The five commodities are polypropylene, polystyrene, polyethylene, styrene, and aromatics. CSXT provides transportation in single-line service for one of the lanes at issue in this case; for the other 103 lanes, CSXT operates in joint-line service with one or more other railroads, and has established AAR Accounting Rule 11 rates.[2] As shown in this Opening Evidence, CSXT possesses market dominance over each of the lanes covered by the challenged rates, pursuant to 49 U.S.C. §§ 10701(d)(1) and 10707.

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[1] Although TPI's Fourth Amended Complaint challenges CSXT's rates in 105 lanes, TPI has elected not to pursue its Complaint as to Lane B-99.

[2] TPI has lawfully challenged just the CSXT portion of the through movement rates, pursuant to the "contract exception" to the Board's "bottleneck" rule. *See* STB Docket Nos. 41242, 41295 and 41626, Central Power & Light Co.et al. v. Southern Pac. Transp. Co. et al., (served Dec. 31, 1996), pet. for recon. (served April 30, 1997), aff'd MidAmerican Energy Co. et al. v. STB, 169 F. 3d 1099 (8th Cir. 1999). TPI has entered into contracts with the connecting line-haul carriers. See, TPI Market Dominance Opening Evidence Electronic Work Paper ("TPI MD Op. Electronic Work Paper"), "Rail Contract" folder.

A. BACKGROUND

TPI is a U.S.-based producer of petrochemicals, base chemicals and transportation fuels with production facilities in Texas and Louisiana. TPI runs its petrochemicals business with a focus on manufacturing excellence, based on world-scale plants and technologically advanced operations. It produces plastics for use in everyday household items such as food containers, furniture, carpets, and bottles. In addition, many of TPI's plastic products are used in the commercial and industrial sectors, from natural gas distribution and water pipelines to building insulation, medical packaging and lightweight automobile components.

An efficient, safe, and cost effective transportation and distribution network to move product to hundreds of customer facilities all over North America is essential to TPI's success. Rail transportation is an integral part of TPI's distribution network. It is the dominant mode of delivery for TPI and the plastics industry in general. TPI ships over four billion pounds of plastic pellets annually by rail in a private fleet of covered hoppers. TPI's customers receive those rail cars and use them for on-site storage until the contents are converted into finished goods by various processes. The cars are then released and transported back to TPI. The use of private rail cars for storage offers the purchasers of plastic enormous operational flexibility and cost savings. It is no surprise then that, when customers have a choice between rail and truck delivery, they overwhelmingly choose rail.

TPI initiated this challenge to CSXT's rail rates only after several years of substantial rate increases that showed no signs of abating. Contract negotiations had become a one-way street with CSXT dictating rates to TPI. CSXT attempted to justify its rate increases as being "market rates." But for CSXT, a market rate was defined as the highest rate that any other plastic producer has agreed to pay to ship to the same destination. Moreover, when CSXT is the only

delivering rail carrier, it can dictate rates to any shipper transporting product to that destination. Because CSXT is assured of the business regardless of the shipper, it can disregard the impact of its rate decisions on the business sustainability of the shipper.

Nothing that TPI argued could dissuade CSXT from its continuing parade of annual rate increases. It quickly became apparent that CSXT had an agenda from which it had no intention of deviating. That very fact was anecdotal evidence of the market power that CSXT possessed over transportation of the issue commodities to destinations where CSXT was the sole rail carrier. In the absence of any competitive alternatives to CSXT, TPI's only option to obtain reasonable rail rates was to file this regulatory challenge to CSXT's unreasonable rates.

B. SUMMARY OF EVIDENCE

"Market dominance" is defined as "an absence of effective competition from other rail carriers or modes of transportation for the transportation to which a rate applies." 49 U.S.C. § 10707(a). There is both a quantitative and a qualitative requirement for market dominance. Market Dominance Determinations and consideration of Product Competition, 365 I.C.C. 118, 131-32 (1981) ("Market Dominance"), aff'd sub nom. Western Coal Traffic League v. United States, 719 F. 2d 772 (5th Cir. 1983 (en banc). First, the Board must find that the challenged rate is at least 180% of the carrier's variable cost of providing the service. 49 U.S.C. § 10707(d)(1)(A). Second, the Board must determine that neither other rail carriers or other modes are effective competitive constraints upon the challenged rates. TPI has satisfied both of these requirements in this Opening Evidence.

1. CSXT Possesses Quantitative Market Dominance.

A rail carrier has the burden of proof to establish quantitative market dominance (*i.e*, that its revenue/variable cost ratio is below 180%). 49 U.S.C. § 10707(d)(1(B). There does not

appear to be any dispute in this proceeding that the challenged rates exceed 180%. CSXT made no such allegations in its "Motion for Expedited Determination of Jurisdiction Over Challenged Rates" (filed Oct. 1, 2010), which took on the much more complicated issue of qualitative market dominance. CSXT almost certainly did not challenge its quantitative market dominance because the challenged rates have R/VC ratios that are far in excess of 180%. TPI has established CSXT's quantitative market dominance in Part II-A, which calculates R/VC ratios for the issue movements that range from 226-1253 percent. See Exhibits II-A-1, 2 and 3.

Although it appears that there will be no dispute over the fact that CSXT possesses quantitative market dominance because the R/VC ratios of the challenged rates all exceed 180%, the precise R/VC value will be disputed. On November 29, 2010, TPI and CSXT filed their "Joint Submission of Operating Characteristics" in this proceeding. See Exhibit II-A-4. Although they were able to agree upon seven of the nine traffic and operating inputs to calculate the variable cost of each movement, they were not able to agree upon loaded miles and tons per car.

The mileage disagreement is over whether to use predominant route miles or weighted average route miles. For many of the case lanes, CSXT has transported cars between the same origin and destination over multiple routes. In each lane, however, there is a predominant route over which the traffic moves more than any other route. TPI has chosen to use the predominant route loaded miles because it more accurately reflects a typical movement.

There is one exception to TPI's use of predominant route miles. For some case lanes, the loaded miles on CSXT were many multiples of the actual rail distance according to PC Miler/Rail. The most egregious examples of this are Lanes B-51, 69 and 100, which are all movements of different commodities from Memphis, TN to Gallaway, TN. Although the actual

rail distance is just 31 miles, CSXT transports the cars 435 miles, past Gallaway all the way to Nashville, TN and then back again. This extremely circuitous route heavily skews the variable cost for these lanes. Therefore, for any lane where the predominant route loaded miles exceed the PC Rail miles by a factor of three, TPI has used the PC Miler/Rail miles.

For consistency, TPI also has used the predominant route analysis to calculate the weighted average tons per car.

2. CSXT Possesses Qualitative Market Dominance.

Qualitative market dominance has two components: intramodal and intermodal competition. TPI has demonstrated that there is no effective intramodal or intermodal competition for any of the issue movements.

a. CSXT faces no intramodal competition for the issue movements.

Intramodal competition is "competition between two or more railroads transporting the same commodity between the same origin and destination." Market Dominance, 365 I.C.C. at 132. The Board has "generally found a lack of intramodal competition where...a single railroad serves the sole origin...because a railroad occupying a monopoly position in a routing would not necessarily be restrained from setting an unreasonably high rate for that portion and keeping the monopoly profits for itself, regardless of whether competition existed over other segments." Amstar Corp. v. The Atchison, Topeka and Santa Fe Ry. Co., No. 37478, 1987 ICC LEXIS 47, *11 (Nov. 23, 1987). This applies with equal relevance to a sole-served destination. See Metropolitan Edison Co. v. Conrail, 5 I.C.C. 2d 385, 413 (1989) ("When one carrier participates in all available routings, it will not necessarily have any incentive to moderate the revenue collected from this traffic.").

In Lane A-2, CSXT is the sole carrier that serves both the origin and the destination. In all the other lanes, CSXT is either the sole carrier that serves the destination, or it is the sole carrier that connects with the short line railroad that serves the destination. Consequently, TPI cannot avoid CSXT by shipping to the destination via an alternative railroad. Thus, there is no intramodal competition at all, much less effective intramodal competition for any of the issue movements.

b. Intermodal Competition is not an effective competitive constraint upon the challenged rates.

Intermodal competition "refers to competition between rail carriers and other modes for the transportation of a particular product between the same origin and destination." Market Dominance, 365 I.C.C. at 133. Although trucks are an available intermodal alternative for transporting the issue traffic, the Board must determine whether they are an "effective" competitive alternative. West Texas Utilities Co. v. Burlington Northern R.R. Co., 1 STB 638, 646 (1996). Among the factors relevant for determining whether effective competition from trucks exists are: (i) physical characteristics of the product in question that may preclude transportation by motor carrier; (ii) the amount of the product in question that is transported by motor carrier where rail alternatives are available; (iii) the amount of the product that is transported by motor carrier under transportation circumstances (e.g., shipment size and distance) similar to rail; and (iv) the transportation costs of the rail and motor carrier alternatives. Market Dominance at 133.

(1) The demands of TPI's customers foreclose effective truck competition.

Because "the availability of many motor carrier alternatives for transportation services between two points can, in most instances, be taken for granted,...the feasibility of using motor carriage as an alternative to rail may be viewed as depending exclusively on the nature of the

product and the needs of the shipper or receiver." Id. (underline added); See also, McCarty Farms v. Burlington Northern Inc., 3 I.C.C. 2d 822, 829 (1987) ("McCarty Farms"). In this proceeding, the "needs" of TPI's customers are paramount in the establishment of CSXT's market dominance. Specifically, TPI does not determine the mode of transporting its products to its customers. While TPI pays the freight, its customers determine the mode. In the highly competitive markets for the issue commodities, if TPI cannot or will not fulfill its customers' demands, those customers will take their business to TPI's competitors. See e.g., Exhibit II-B-9 (customer e-mail) and {{ [redacted] }}[3]

Competitive markets for transportation services mean that "shippers must be able to respond quickly to changes in transportation charges [and] [t]hey must be in a position to shift their demand...to other rail carriers or carriers of other modes." Special Procedures for Making Findings of Market Dominance as Required by the Railroad Revitalization and Regulatory Reform Act of 1976, 353 ICC 874, 929 (1976) ("Special Procedures"). According to Board precedent, "[s]uch a shift in demand requires not only the availability of carriers ready to provide a comparable service, but also the ability of shippers to take advantage of that service." Id. Because TPI's rail-served customers will not accept a shift from rail to truck deliveries, TPI cannot take advantage of that alternative service, and thus there can be no effective competition. See e.g., E.I. du Pont de Nemours and Company v. CSX Transportation, Inc., STB Docket No. 42099, slip op. at 7 (served June 30, 2008) ("customer preference" for rail transportation

[3] All text within single brackets is { CONFIDENTIAL } and all text within double brackets is {{HIGHLY CONFIDENTIAL}} pursuant to the Protective Order adopted in this proceeding in the Board's decision served on June 23, 2010.

demonstrates the infeasibility of trucking); McCarty Farms at 829 ("needs of the shipper or receiver" may determine feasibility of trucking).

TPI has identified nine distinct needs and/or requirements of its customers that render truck transportation infeasible.

First, there are explicit provisions in their purchase agreements with TPI that require rail deliveries. TPI has identified thirteen case lanes with such contractual requirements. Moreover, as TPI explains, its customers also expressly request rail delivery at the time they make each purchase. Indeed, for many customers that do not have continuing contracts with TPI, their contract is the purchase order. The customer indicates its rail requirement by ordering a specific number of "rail cars" or by ordering in quantities that are equivalent to a rail car's capacity.[4]

Second, for polymers, which account for all but three of the issue movements, TPI's customers need rail cars to store TPI's product until they are ready to use it in their manufacturing process. This is a prevalent practice in the polymer industry. Producers, such as TPI, store their polymer inventory after production in rail cars, and upon purchase, the customer stores the polymer in the same rail car at its facilities until ready to use. TPI has identified customers in nine case lanes that do not have any storage silos at all, and thus rely upon rail cars for all their storage needs. Moreover, even customers with some silo storage capacity still rely upon rail cars for the majority of their storage needs because it gives them greater operational flexibility. Because polymers are produced in dozens of, and sometimes over a hundred, polymer specifications, each specification must be stored separately in order to preserve product integrity. Rather than maintain multiple storage silos, polymer purchasers prefer to use rail cars

[4] The same process holds true for truck deliveries. The customer either expressly requests a truck or orders in truckload quantities.

as storage. Because trucks cannot provide this storage capability, they are not an effective competitive alternative to rail transportation.

Third, { [redacted] } transportation must be by rail car because, unlike privately-owned rail cars, trucks cannot be used for storage, and therefore, must be "tapped" immediately upon delivery. TPI has identified nine case lanes where it sells to customers { [redacted] }

Fourth, truck simply is not a practical alternative for customers who purchase in large volumes. Because four trucks are required to transport the same volume as a single rail car, high volume customers would have to purchase anywhere from several hundred to over a thousand trucks annually. Customers do not want, or cannot handle, that number of trucks due to the traffic congestion, extra handling and unloading, and storage requirements. TPI has identified eleven case lanes with customers that have received over 100 rail cars in at least one of the past five years.

Fifth, TPI ships its product to third-party processors and compounders which cannot receive bulk trucks because they need rail cars for storage. Third party processors and compounders are not the purchasers of TPI's product, but they process or modify the product on behalf of the purchaser. Because they do this for many different clients who purchase many different grades of polymer, they do not have the capacity to separately store each client's product. Instead, they rely upon the rail cars for storage until they are prepared to process each client's product. Trucks cannot provide this storage, and thus cannot provide effective competition. TPI has identified ten case lanes where the destination is the facility of a third-party processor or compounder.

Sixth, TPI ships to customers who use its product in medical applications. These customers have heightened product integrity concerns, which causes them to shun transloading. All polymer transportation begins in a rail car, because that is how TPI must store its inventory until sold. Therefore, all truck shipments must be transloaded. Consequently, trucks are not an effective competitive alternative for product that is used in medical applications. FMC Wyoming Corp. v. Union Pac. R.R. Co., 4 STB 699, 720 (2000) ("FMC") (Board notes receiver's "product integrity" concern in finding that transloading is not effective competition). TPI has identified eight case lanes where a customer uses TPI's product in medical applications. There have been a total of {{ [redacted] }} truck shipments in just two of these lanes over the past five years.

Seventh, TPI ships rail cars to leased tracks in various locations throughout the country in order to stage loaded rail cars near certain customers, thereby reducing the risk of transportation problems and minimizing the lag time between when the customer places an order and when it receives the product. This is important to enable TPI to compete for the business of many customers because it allows customers who prefer rail delivery to receive rail cars more quickly after they have placed their order and paid for it. Truck transportation would preclude TPI from using leased tracks, and decrease the quality of service to the customers that TPI serves from those tracks. This in turn would decrease TPI's competitiveness for the business of such customers. TPI ships to leased tracks in ten of the case lanes.

Eighth, TPI only sells off-grade product in rail cars. "Off-grade" product is the result of a batch of production that fails to meet the specification of a particular grade of polymer. Therefore, customers who order off-grade product typically prefer to receive all of a particular batch at the same time, because they must recalibrate their facilities for each unique batch. They

also prefer not to store off-grade product in their silos. TPI sells off-grade product to customers in twenty-seven case lanes.

Ninth, although several case lanes are to bulk terminals and customer leased storage tracks, CSXT still possesses market dominance because TPI's customer, not TPI, selects the destination facility and is responsible for any subsequent transportation. In that scenario, it should not matter whether there is a nearby bulk terminal or leased track on a different railroad, because the facility is as fixed from TPI's perspective as when TPI ships to a customer's manufacturing plant. TPI lacks any discretion to change the destination. This situation occurs most commonly when TPI's customer is a broker, which resells TPI's product. Many brokers, for example, operate out of bulk terminals where they lease track storage, use the rail car to store the product until it can be resold, and once resold, either ship the rail car to their customer or transload onto trucks to deliver to their customers. Sometimes, TPI's end-user customer also will direct TPI to ship to a specific bulk terminal for transloading, which presents the same issue as when a broker is involved. Because TPI does not select the destination, customer-selected bulk terminals and leased tracks should be treated the same as production facilities in a market dominance analysis. There are thirteen case lanes where TPI ships to a customer-selected bulk terminal or leased track.

The fact that TPI's customers demand rail shipments is validated by the proportion of rail to truck shipments for both the case lanes and across all rail-served TPI customers. TPI's rail-served customers overwhelmingly choose rail deliveries over trucks when both are an option. Exhibit II-B-2 shows that, in every year from 2006 through 2010:

- Less than 2% of aromatics truck shipments were to rail-served destinations.
- Less than 9% of styrene truck shipments were to rail-served destinations.
- Less than 5% of polyethylene truck shipments were to rail-served destinations.

- Less than 11% of polypropylene truck shipments were to rail-served destinations.
- Less than 9% of polystyrene truck shipments were to rail-served destinations.

In other words, where a customer is rail-served, in the overwhelming majority of cases the customer will request delivery by rail. Truck shipments to rail-served destinations typically constitute exceptions to normal rail shipments due to a customer's need for an expedited delivery, rail service disruptions, purchases in less than rail car quantities, or insufficient time between the production date of the commodity and the requested delivery date.

The case lanes follow this same pattern, as demonstrated in Exhibit II-B-11. For every rail customer in the case lanes, less than 15% of all deliveries from 2006 through 2010 were by truck. For all but eight customers, there were fewer than 10% truck movements, and many had zero truck movements during that time. This is highly relevant evidence of CSXT's market dominance. See Market Dominance, 365 I.C.C. at 133 (effective competition may be deduced from "the amount of product in question that is transported by motor carrier where rail alternatives are available").

The above factors clearly establish CSXT's market dominance over the issue movements, because TPI lacks the ability to shift these movements from rail to truck and TPI's customers demand truck overwhelmingly when they have a choice between rail and truck. Therefore, regardless whether trucks are physically viable or cost-comparative, CSXT possesses market dominance.

(2) Truck transportation from the origin to destination is more costly than rail.

Applying its existing contract rates for truck transportation, TPI has determined that truck transportation from the origin to the destination is more costly than rail for every single issue

movement where direct trucking is feasible.[5] Furthermore, it is substantially higher for all but one lane. This cost analysis does not even consider additional personnel costs that TPI would incur from having to process and track four times as many truck sales as rail car sales, or the higher inventory carrying costs associated with truck shipments. TPI's substantially higher trucking rates, by themselves, mean that direct-trucking is not an effective competitive constraint upon CSXT's rates for any of the issue movements. FMC, 4 STB at 719 ("substantial rate disparity" sufficient to show lack of effective competition).

(3) Rail-to-truck transloading is more costly than rail for all but nine case lanes.

TPI also has determined that a rail-to-truck transload alternative is more costly than rail for all but nine case lanes.[6] In addition, TPI has identified eight case lanes where transload costs are within 10% of rail costs, which TPI presumes is sufficiently comparable to be a constraint upon rail rates (although not necessarily an "effective" constraint). TPI's total transload costs are the sum of its rail rates to the bulk terminal, the applicable bulk terminal fees and storage charges, truck rates from the bulk terminal to TPI's customer, additional personnel costs associated with the processing of four times as many customer orders, additional rail car lease

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[5] See Exhibit II-B-4. TPI did not evaluate case lanes where the destination is a bulk terminal or leased track, because trucking to those locations would be absurd. At both destinations, TPI would have to position empty rail cars to receive the truck shipments, which means that TPI still would incur rail transportation costs. Separate rail cars would be required for each grade of polymer, and each rail car would need to be cleaned after every four loads. Furthermore, in the case of bulk terminals, TPI's customer would be transloading those rail cars right back into trucks. TPI also excluded case lanes where the origin is a leased track, because the leased tracks are not TPI-approved bulk terminals for transloading from rail to truck. Additionally, for all but one lane where the destination is a leased track, the preceding movement of the rail car to the leased track is captive to CSXT. Therefore, CSXT's market dominance over the inbound movement would extend to the outbound movement because the purpose of shipping a rail car to leased track is to ultimately ship that rail car from the leased track to a customer.

[6] See note 4, supra. TPI also excluded two additional case lanes because there was no bulk terminal closer than the rail origin that could handle hazardous liquids.

and maintenance costs associated with the extra rail cars needed for transloading, and inventory carrying costs associated with the longer time period before TPI can invoice transload customers for their orders. Where transloading would reduce any of those cost components, TPI accounted for such savings. Exhibit II-B-5 presents the results of this analysis. Thus, based solely upon consideration of TPI's transload costs, CSXT possesses market dominance over all but seventeen case lanes.

(4) Comparable rail and transload costs do not constitute effective competition.

Even where transload costs are comparable to or lower than rail transportation costs, that fact is not sufficient to establish transloading as an "effective" competitive constraint upon CSXT's rates for the issue movements. In DuPont, STB Docket No. 42099, slip op. at 7-8, the STB held that:

> Even if we were to find that the cost of trucking the product is similar to the cost of using rail after the CSXT rate increase, it does not follow that the threat of trucking is evidence of effective competition. After all, even a monopolist finds that there is a profit-maximizing price beyond which it cannot raise prices without adversely affecting its bottom line. A carrier possessing market power might set its rates so high that it would begin to lose business to a higher-cost alternative (such as a trucking company). As the Board has previously noted, while this may create an "outer limit" constraint, it does not necessarily mean that effective competition is present. (underline in original) (footnotes omitted)

See also, Ariz. Pub. Serv. Co. v. U.S., 742 F.2d 644, 650-51 (D.C. Cir. 1984) (a constraint does not equate to effective competition). Consequently, the fact that some transload costs are less than or comparable to rail costs may demonstrate that CSXT has priced up to the nearest, higher cost alternative, not that such alternative constitutes effective competition.

One way to tell if this is true is whether there has been an "absence of any diversion after a reasonable time following a rate increase." Special Procedures, 353 ICC at 929. In this case,

CSXT first imposed significant rate increases upon TPI in 2007, when TPI's contract rates increased by a volume weighted average of { [redacted] }. Since then, CSXT has increased its rates in each case lane by cumulative amounts that reach as high as 793%, with 39 lanes in triple digits. Exhibit II-B-7 shows the history of CSXT's rate increases in each case lane, beginning with the 2007 increase. CSXT imposed its first significant rate increases over 3 years ago, and has continued to increase rates every year since, without a loss of the issue traffic. TPI's inability to divert the issue traffic from CSXT to alternative modes despite a protracted period of CSXT rate increases, even during a lengthy and severe economic recession, is compelling evidence that CSXT is simply probing the "outer limits" of its monopoly power, not that transloading is an effective competitive constraint upon CSXT's pricing.

In Exhibit II-B-10, TPI also demonstrates that the transload option is in fact a much higher cost alternative than CSXT. For 58 case lanes where the price for transload service is less than or comparable to CSXT's rail price (including delivering short line carriers), TPI estimated the cost of providing both services.[7] Across every lane, the cost of providing the transload service ranged from 1.5 to nearly 6 times higher than the cost of providing rail service. CSXT's profit margins would exceed those of the transload providers by anywhere from $1072 to $5641 per carload. This indicates that CSXT has substantial room to increase rates up to the higher cost transload alternatives without fear of losing the issue traffic to those alternatives.

Finally, the high R/VC ratios for the issue traffic, despite the alleged existence of transload alternatives, is further evidence of CSXT's market dominance. The R/VC ratios generated in 101 of the 104 case lanes exceed 300%, and reach as high as 1199% in 1Q2011.

[7] For this analysis, TPI compared only the prices of the alternatives. TPI did not include its internal costs associated with transloading (*e.g.* additional personnel, rail car, and inventory costs).

Although evidence that rail revenues substantially exceed variable costs by itself does not indicate market dominance, when such data is supported by other evidence, as is the case in this proceeding, it "may serve to buttress a finding that the existing level of competition may not be effective to constrain rail rates to a reasonable level." E.I. du Pont de Nemours and Company v. CSX Transp., Inc., STB Docket No. 42101, slip op. at 5 (served June 30, 2008), citing McCarty Farms, 3 I.C.C. 2d at 832.

C. CONCLUSION

For the foregoing reasons, TPI requests that the Board find that CSXT possesses market dominance over each of the 104 lanes in TPI's Fourth Amended Complaint.

Respectfully submitted,

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May 5, 2011

PUBLIC VERSION

CERTIFICATE OF SERVICE

I hereby certify that this 5th day of May 2011, I served a copy of the foregoing upon Defendant via hand-delivery at the address below:

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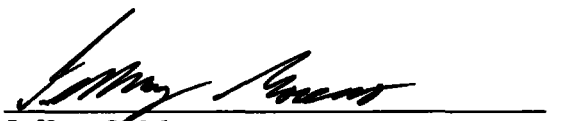

Jeffrey O. Moreno

Part II-A

PART II

MARKET DOMINANCE

In this Part II, TPI establishes CSXT's market dominance over the issue movements. Part II-A addresses quantitative market dominance and Part II-B addresses qualitative market dominance.

A. QUANTITATIVE MARKET DOMINANCE EVIDENCE

In making a determination under this section, the Board shall find a railroad may have market dominance if the rate charged results in a revenue to variable cost ("R/VC") ratio equal to or greater than 180 percent. 49 U.S.C. § 10707(d)(1). In this Part II.A, TPI demonstrates that the R/VC ratios for each of the challenged lanes in this proceeding greatly exceed 180 percent.

For purposes of this analysis, CSXT-28211, CSXT-29111 and CSXT-28003 tariff rates, including fuel surcharges, are compared to CSXT's variable costs for handling TPI's traffic following the Board's procedures in Major Issues. Specifically, CSXT's variable costs are calculated using the Board's CSXT 2009 Uniform Railroad Costing System ("URCS") unit costs, the URCS Phase III program and the following nine (9) specific traffic and operating inputs for each movement: (1) the railroad; (2) loaded miles (including loop track miles); (3) shipment type (local, originated and delivered, received and delivered or "bridge," and received and terminated); (4) number of freight cars per train; (5) tons per car; (6) commodity; (7) type of movement (single car, multiple car or unit train); (8) car ownership (railroad or private); and (9) type of car.[1]

[1] Major Issues at 52 and 60.

A complete summary of the variable costs and R/VC ratios for each of TPI's challenged lanes is included at Exhibit II-A-1 through Exhibit II-A-3. As shown on Exhibit II-A-1 through Exhibit II-A-3, CSXT's R/VC ratios at mid-third quarter 2010 levels through mid-first quarter 2011 levels, respectively, range between 226 percent and 1,253 percent.

1. Traffic and Operating Characteristics

As directed by the Board, TPI and CSXT conferred and agreed upon seven of the nine traffic and operating characteristics associated with TPI's movements to which the challenged rates apply.[2] However, TPI and CSXT were unable to agree on the loaded miles and tons per car for the issue traffic. A brief discussion of TPI's process for developing those two components follows.

a. Loaded Miles – CSXT provided data that was organized by TPI into three main databases that were utilized for TPI's calculations, i.e., the car waybill database, car shipment database and the car event database. The first step TPI followed to perform these calculations was to identify each TPI movement within the car waybill database using an identifier that included the phrase "TOTAL PETROCHEMICALS". This process uncovered 55 unique identifiers that were included in the car waybill data. The car waybill data contained 8,253 records for these 55 identifiers.[3] However, the car waybill data does not contain any mileage information and therefore records identified

[2] Joint Submission of Operating Characteristics Docket No. NOR-42121 filed November 29, 2010. Included as Exhibit II-A-4 to this opening evidence. Subsequent to filing the Joint Submission, we discovered two errors that have been corrected in Exhibit II-A-4. The first involves Lane 53. In the Joint Submission, Lane 53 was listed as "RT" to Memphis, TN and should have listed as "RD" to Vine Hill, TN. The second involves Lane 119. In the Joint Submission, Lane 119 was listed as "OT" from Chicago, IL and should have been listed as "RT" from Chicago, IL.

[3] CSXT produced car waybill data for 2008, 2009 and 6 months of 2010. TPI's analysis is based on CSXT produced car waybill data for the 18 month period from January 2009 through June 2010.

in the car waybill database must be linked to the car event database to access the loaded miles for each shipment. TPI's next step was to link the 8,253 records from the car waybill database to CSXT's car event database. Further refinements to this data were performed to remove shipments that were not applicable in this case. Specifically, data was excluded where waybill carloads were zero or the origin and destination did not match the origin and destination pairs included in TPI's complaint. This process included developing a formula for comparing five fields (Ultimate Origin, CSXT Origin, CSXT Destination, Ultimate Destination, and STCC) in the car waybill database to the origins and destinations included in the complaint and resulted in 5,411 records.

Workpaper "TPI Traffic Selection Methodolgy.xls" details the logic utilized by TPI to select the traffic from CSXT data which was used to develop loaded miles and tons.

Data for each of the 5,411 records was examined to identify anomalies or apparent errors. This review highlighted significant variations in route miles for identical origin/destination pairs.[4] To eliminate these unexplained anomalies and apparent errors, TPI selected the predominant route[5] actually used by CSXT for each origin/destination shipment by STCC group. Additionally, for issue movements where the predominant route miles exceeded the route miles based on PC Miler/Rail by a factor of three, the issue movement miles were based on PC Miler/Rail. TPI's predominant route approach produces an appropriate representation of CSXT's handling of each of the moves

[4] For example, CSXT data shows {[redacted]} loaded miles between Chicago, IL and Utica, NY for one carload and {[redacted]} miles for another. For Chicago, IL to Clinton, IN, miles vary from {[redacted]}. For New Orleans, LA to Cartersville, GA, miles vary by {[redacted]} miles, i.e., {[redacted]} miles to {[redacted]} miles.

[5] The details supporting our predominant route analysis are shown in Exhibit II-A-5.

between an issue origin/destination pair because it eliminates misroutes, other errors and data anomalies. In those instances where no mileage data were included in the CSXT data, PC Miler/Rail, utilizing the Practical, Familized route, was used as a substitute.

Exhibit II-A-5 summarizes the percent of traffic moving over each predominant route, as well as the range of variation in CSXT miles for the routes between each origin/destination pair.

b. Tons per Car - TPI also used the predominant route analysis to calculate the weighted average tons per car. In those instances where the tons per car were not included in the CSXT data, the weighted average tons per car from the data available for the specific car type were used.

The traffic and operating characteristics used by TPI in its calculation of the variable costs summarized in Exhibit II-A-1 through Exhibit II-A-3 are shown in Exhibit II-A-6.

2. Variable Cost Calculations

For one issue lane, the rate being challenged is a local movement on CSXT ("Originated and Terminated"). For 16 issue lanes, the rates being challenged cover movements that are received by CSXT in interchange and delivered by CSXT in interchange ("Received and Delivered"). For 87 issue lanes, the challenged rates cover movements received in interchange and delivered to destination by CSXT ("Received and Terminated").

Exhibit II-A-1 through Exhibit II-A-3 show the calculation of the variable costs for each of TPI's movements at issue using the STB's CSXT 2009 URCS unit costs. The variable cost calculations are indexed to mid-third quarter 2010 ("3Q10"), mid-fourth

quarter 2010 ("4Q10") and mid-first quarter 2011 ("1Q11") wage and price levels using the STB prescribed indexing procedures.[6]

3. **Rates**.

In 2007, CSXT and TPI entered into a contract that, over the two-year term of the agreement, increased rates by 38 percent (volume weighted). In 2009, TPI and CSXT entered into negotiations for a new contract. CSXT demanded rate increases of another 8.3 percent (volume weighted). For some lanes, the contract rates offered by CSXT during the 2009 negotiations represented increases of more than 100 percent compared to the expiring contract rates. In total, CSXT's 2009 contract offer represented a 49 percent (volume weighted) increase in TPI's expiring contract rates, excluding fuel surcharges. TPI reluctantly agreed to a new contract at the rates offered by CSXT for a term of nine months that expired on June 30, 2010.

On March 24, 2010, TPI initiated contract renewal negotiations with CSXT by proposing new contract rates that would decrease their rates effective July 1, 2010. On April 30, 2010, CSXT submitted a counter-proposal to TPI that would impose further rate increases upon CSXT's current contract rates.

Because TPI and CSXT were unable to agree upon new contract rates, TPI must pay CSXT's public tariff rates, effective July 1, 2010. CSXT has published AAR Accounting Rule 11 rates for their portion of the joint line movements. A summary of the 3Q10 through 1Q11 rates, including fuel surcharges, applicable to the TPI issue movements is shown in Exhibit II-A-7.

[6] See workpaper "CSXT09 to 1Q11 Phase III Index".

Comparing the aforementioned variable cost calculations to the applicable rates summarized in Exhibit II-A-7 produces R/VC ratios for 3Q10 through 1Q11 that range between 226 percent and 1,253 percent, well in excess of the 180 percent jurisdictional threshold.

The testimony in this Part II-A is being jointly sponsored by Thomas D. Crowley and Timothy D. Crowley of L.E. Peabody & Associates, Inc. Their credentials are detailed in Part IV.

Part II-B

B. QUALITATIVE MARKET DOMINANCE

In this Part II-B, TPI presents its qualitative market dominance evidence in the following four subparts:[1]

1. In subpart II-B-1, TPI provides a descriptive overview of TPI, the issue commodities and customers, and TPI's distribution network for transporting those commodities from production facilities to its customers. This background is essential to the Board's understanding of the market dominance issues that it will need to address.

2. In subpart II-B-2, TPI addresses intra-modal competition, which is an issue that is not likely to present extensive controversy because the destinations all are either captive to CSXT or to a short line railroad that is captive to CSXT.

3. In subpart II-B-3, TPI presents its evidence on intermodal competition, and specifically why direct truck movements and rail-truck transloads are not effective competitive alternatives. TPI also addresses the absence of barge alternatives.

4. In subpart II-B-4, TPI presents lane-specific summaries that link each specific case lane to one or more of the numerous factors presented in the preceding subparts that render intermodal options ineffective competitive constraints upon CSXT's rates.

In order to establish a baseline for evaluating CSXT's qualitative market dominance in this proceeding, TPI has prepared Exhibit II-B-1, which lists all 104 case lanes and, because some lanes serve more than one TPI customer, also identifies each TPI customer. Each case lane is referenced by the numbers in Exhibits A and B to TPI's Fourth Amended Complaint (filed February 3, 2011). For each case lane customer, Exhibit II-B-1 provides the Lane Number, Commodity, CSXT Origin, CSXT Destination, Through Route, TPI Customer's Name, and "Care/Of Party" if delivered to a third party.

[1] The facts and evidence in this Part II-B are jointly sponsored by Allen Cast, TPI's Manager, Transportation & Distribution Strategy & Commercial; Mike Goins, TPI's General Manager - Supply Chain & Regulatory Affairs; Sheri Reynolds, a TPI Strategic Planning Advisor; and Melissa Richards, a TPI Advisor-Supply Chain Strategy. Their credentials are detailed in Part IV.

Part II-B-1:
Overview

1. AN OVERVIEW OF TPI'S PRODUCTS, CUSTOMERS AND DISTRIBUTION NETWORK

TPI produces polymers, base chemicals, transportation fuels, and other products from manufacturing facilities in Texas and Louisiana. TPI requires a complex and sophisticated distribution network in order to transport its products to customers throughout the United States in the most efficient and timely manner. In order for the Board to effectively evaluate CSXT's market dominance over the case lanes, it is important to understand how TPI's sales and distribution network functions and the options that are, or are not, available to TPI for supplying its customers.

a. Product And Customer Overview

TPI's Complaint covers the transportation of five products: polypropylene, polyethylene[2], polystyrene, aromatics, and styrene. The first three can be described as "polymers" and are, generally speaking, plastic pellets. They are non-hazardous materials with similar transportation characteristics. The last two products are hazardous liquids. The great variety of end uses to which all five of these products are put means that TPI's customers require their suppliers to adhere to very detailed specifications, especially for polypropylene, polyethylene, and polystyrene.

Specifically, TPI currently produces {[redacted]} active grades of polypropylene, {[redacted]} active grades of polyethylene, {[redacted]} active grades of polystyrene, {[redacted]} active grades of aromatics, and {[redacted]} active grades of styrene. For the vast majority of TPI's customers, substitution of one grade of product for another is not possible without recalibrating and/or retooling the customers' production facilities. In other words, when a TPI customer orders a specific grade of product,

[2] This is also known as polyethylene HD, with "HD" signifying high density. All of TPI's polyethylene is of the high density variety; therefore, any reference to polyethylene is synonymous with polyethylene HD.

TPI must manufacture and send a product that matches the customer's specifications; if not, the product will be returned at TPI's expense. The grades are not interchangeable and cannot be commingled, which means that they must be stored separately, usually in rail cars.

TPI's products are employed in a wide range of consumer, industrial, and medical applications by TPI's customers and other end-users. Polypropylene, polystyrene, and polyethylene are used to make products such as food containers, plastic bags, carpet yarn, toys, household insulation, electronic housings, caps and closures, and small appliances. Styrene is mainly used in the production of resins, while aromatics are an additive to products such as lubricating oil, paint, and coatings.

TPI sells and/or delivers the issue commodities to three different categories of customers. First, TPI sells to end-users, which are manufacturers that use the issue commodities directly in their own applications. Second, TPI sells to brokers, which are middlemen that purchase product from TPI with the intent of reselling it to third parties. Third, both end-users and brokers may direct TPI to deliver product to the facilities of a third-party, such as a bulk terminal, warehouse, third-party processor, or compounder. For example, brokers may store the commodity at a bulk terminal or warehouse until they can resell it; third party processors will manufacture goods from the issue commodities on behalf of the actual purchaser; and compounders are third parties that modify the product, such as by adding pigment, prior to the manufacturing process. TPI sells and/or delivers issue commodities to all three categories of customers—end users, brokers, and third party locations—for the movements at issue in this case.

These facts are important for multiple reasons, which are discussed in greater detail in Part II-B-3. First, they illustrate the integral nature of rail transportation to the polymer industry's sales and distribution network, because rail cars are essential to both transportation

and storage of polymers. Second, because many polymer purchasers are middle-men which operate out of bulk terminals and warehouses, TPI does not have the option to substitute a different terminal or warehouse on a different railroad for its own convenience. Third, because TPI's customer and the delivery location may be different entities, the requirements and capabilities of both are relevant to market dominance.

b. Transportation of the TPI Commodities at Issue in this Case

It is absolutely crucial to understand that the transportation of TPI's commodities is determined by the customer, not TPI. For each shipment, the customer specifies the mode of delivery that is required, and TPI cannot ship via another mode without the consent of the customer. TPI does not always know the reason for each customer's selected transportation mode, but many are known and are described in more detail in Part II-B-3 below. In all cases, whether pursuant to a commodity contract, purchase order, or a spot quote, TPI's sales price is a delivered price that includes transportation to the customer's designated delivery point.

(1) Polymers

TPI produces its polymers at three locations. At all three polymer facilities, TPI loads polymers directly into railcars upon production or blending. TPI does not and cannot directly load trucks at its manufacturing facilities because the silos at all three polymer facilities are sized in units of railcar capacity for quality control purposes. The polymer industry generally engages in quality control via, and customers often order product in, lots that are railcar-sized. Therefore, regardless whether the end-user takes delivery of TPI's polymer products by rail or by truck, the first stage in the transportation network is always by rail. The transportation options differ slightly for each polymer product after it is loaded into rail cars, depending upon whether the customer has requested delivery by rail or by truck.

(a) **Polypropylene**. TPI produces polypropylene at its La Porte, Texas, facility. La Porte is served by the Port Terminal Railroad Association ("PTRA"). La Porte is the largest polypropylene facility in the world, with a production capacity of 2.7 billion pounds per year. TPI currently has {[redacted]} active grades of polypropylene, and there may be up to {[redacted]} specifications within each grade.

(b) **Polyethylene.** TPI produces polyethylene at its plant in Bayport, Texas. Both the Union Pacific Railroad ("UP") and the BNSF Railway ("BNSF") have access to Bayport. Currently, BNSF originates virtually all of TPI's rail traffic at Bayport through an access agreement with UP. This facility has a production capacity of 900 million pounds per year. TPI currently has {[redacted]} active grades of polyethylene, and some grades have further sub-specifications.

(c) **Polystyrene.** TPI produces polystyrene at a plant within its Styrenics Complex in Carville, Louisiana, which also is known as Bruns. This facility has a production capacity of 1.65 billion pounds per year, and is the largest polystyrene facility in the world. It is located on a rail line of the Canadian National Railway ("CN"). TPI currently has {[redacted]} active grades of polystyrene.

(d) **Storage in Rail Cars.** Due to the many different grades of these three polymers, TPI cannot produce them all at the same time. Therefore, TPI must produce each grade in large batches and keep them in inventory until sold. This inventory allows TPI to continue making sales of polymer grades even when they are not currently being produced. {[redacted].} The silos are used for blending of product, but cannot be used for storage due to the continual need to blend new production. Each

silo has a capacity equal to one railcar. Therefore, upon production, TPI immediately loads polymers into rail cars and uses the rail cars to store its inventory.

TPI does not have rail car storage track at La Porte. {[redacted]} {{[redacted]}}

Unlike La Porte, Bayport and Carville do have a small amount of track space for railcar storage. This allows TPI to ship polyethylene and polystyrene directly from Bayport and Carville by both rail and truck. All trucks, however, must be loaded from a rail car. When the plant storage tracks are full, rail cars from Bayport are sent to {[redacted]}, and rail cars from Carville are sent to SIT yards on the CN {[redacted]}.

(e) **Mode of Transportation.** Transportation beyond a plant or SIT yard depends upon whether the customer is a rail or a truck customer. The customer dictates the mode of transportation either by contract or when an order is placed. If a customer has access to direct rail service, the customer almost always requests rail service; all other North American customers are truck customers.[3]

(i) **Rail Shipments**. A rail car may be transported directly from a SIT yard to the customer's facility, or it may make an intermediate stop at a leased track. {[redacted]}

[3] See Exhibit II-B-3 for a break down of truck deliveries to TPI's customers who do and do not have access to rail.

[redacted]

Some of TPI's customers also lease track because they lack sufficient track capacity within their own facilities. In such circumstances, TPI's shipments may be delivered to the customer's leased track rather than the customer's facility.

(ii) **Truck Shipments to a Truck-Only Customer**. All truck shipments of polymers follow one of two options, depending upon whether the truck delivery is to a regular truck customer or a regular rail customer. For its regular truck customers, TPI ships rail cars to bulk terminals near to the customer and within TPI's approved distribution network for transload into trucks that will make the final delivery. TPI has an approved distribution network of bulk terminals across the country that it uses for this purpose. See Exhibit II-B-8.

(iii) **Truck Shipments to a Rail-Served Customer**. When a customer that normally orders and receives polymers by rail requests a truck delivery, TPI first determines if the requested product grade and specification is already located at a bulk terminal near the customer. If yes, TPI determines whether product can be taken from that terminal – in other words, whether it would cause problems to other (i.e. truck) customers if product were used for the rail customer. If no product is available at a nearby bulk terminal, then TPI will make the same inquiry at other terminals progressively further away. If no product is available at any bulk terminal, then product must come from a rail car stored at the plant, if available, or a SIT yard. A SIT yard is the choice of last resort, because it is the most costly.

(iv) **Proportion of Truck vs. Rail Shipments**. The vast majority of polymer shipments to TPI's customers are by rail. Exhibit II-B-2 shows the total proportion of truck to rail deliveries for each of the last five years. For polyethylene, truck

deliveries have been in a consistently tight range of just 17-21% of total shipments. For polypropylene, that range has been even tighter and smaller at 12-14%. For polystyrene, trucks accounted for 30-38% of total shipments. These figures, however, include customers that cannot receive rail deliveries.

When the focus is solely upon polymer customers that have a choice between truck and rail, the statistics are even more compelling. Exhibit II-B-3 compares the volume of truck deliveries for each case commodity that TPI made to customers which are, and are not, rail-served in each of the last five years. For all three polymers, rail-served customers accounted for as few as 2% and never more than 11% of truck shipments in any single year. Trucks simply do not compete with rail when a polymer customer has a choice between them.

(2) Hazardous Liquids

Both styrene and aromatics are hazardous liquids. Consequently, their transportation is somewhat different than that of TPI's polymers. If styrene and aromatics customers have access to rail service, they generally prefer rail transportation. The much greater capacity of railcars compared to trucks also reduces the handling required. Moreover, customers are more conscious of the danger of product spills and releases because styrene and aromatics are hazardous liquids. Rail transportation is recognized as safer than truck transportation, and less handling results in fewer opportunities for spills to occur.

TPI produces styrene at a plant within its Styrenics Complex in Carville, LA which, as mentioned above, is rail-served by CN. TPI currently has { [redacted] } active grades of styrene. Upon production, styrene is immediately transferred to storage tanks at the Styrenics Complex. Railcars, trucks, and barges can all be loaded from these storage tanks. Additionally, TPI uses { [redacted] } bulk terminals for storage of styrene around the country. These terminals (located in

{{[redacted]}}) typically receive styrene by railcar and, in the case of {{ [redacted] }}, barge for transloading into railcars or trucks for delivery to TPI's customers.

TPI produces aromatics at its facility in Port Arthur, Texas. TPI currently has { [redacted] } active grades of aromatics. Upon production, all aromatics are trucked to the nearby UP-served KMTEX facility for blending and then storage in tanks. From the KMTEX facility, transportation to TPI's customer can occur via railcar or truck. Currently, TPI utilizes three liquid transloading terminals for aromatics, located in {{ [redacted] }}

Most of TPI's styrene and aromatics customers, which have a choice between rail and truck, receive their purchases by rail. According to Exhibit II-B-3, just 1% to 3% of TPI's aromatics truck shipments were to rail-served customers in each of the past five years. For styrene, although the number fluctuated significantly between 3% and 30%, the vast majority of truck shipments to rail-served customers were under 500 miles. Thus, trucks are seldom competitive for the transportation of styrene and aromatics when the customer has a choice between rail and truck, especially at distances over 500 miles.

Part II-B-2:
Intramodal

2. INTRAMODAL COMPETITION

There is no direct rail competition to CSXT service for any of the 104 lanes at issue in this case.[4] Where CSXT is the delivering rail carrier, the destination is captive to CSXT. If a shortline is the delivering carrier, the destination is captive to the shortline and the shortline interchanges only with CSXT.[5] Although the lack of intramodal competition at the destination is abundantly clear for nearly every case lane, Lanes B-44 and B-109 merit a more detailed discussion.

a. Lane B-44: E. St. Louis, IL to Sidney, OH

Lane B-44 involves transportation of polypropylene from the interchange with BNSF at E. St. Louis, IL to Sidney, OH. TPI's customer is { [redacted] }, but the destination is a production facility operated by a third party processor, Advanced Composites, to which the customer directs TPI to ship rail cars.

TPI previously removed this lane from the case in the Second Amended Complaint (filed on October 4, 2010) when TPI learned of a reciprocal switch option at the destination that potentially could provide a rail alternative. When TPI attempted to route traffic over this alternative routing in December 2010, however, CSXT initially refused to switch the cars from the NS and repeatedly tried to return the cars to the NS. Only after TPI sought assistance from the Board's Office of Consumer Affairs were the cars finally delivered by CSXT.

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[4] In its "Motion for Expedited Determination of Jurisdiction Over Challenged Rates" (filed Oct. 1, 2010), CSXT alleged that Lanes B-18, 67, and 108 are subject to direct rail competition. TPI's October 21, 2010, Reply proved that even CSXT's own work papers submitted in support of its Motion show that TPI's customers in all three lanes are closed to CSXT. TPI incorporates that Reply herein.

[5] Some of the delivering shortline carriers do interchange with railroads other than CSXT, but not on a rail segment that is physically connected to the rail segment that serves the destination (*e.g.* GRWR at Social Circle, GA).

Subsequently, CSXT informed TPI that, although the Advanced Composites facility is open to reciprocal switch, the Advanced Composites' leased track in the Ansonia Yard, where TPI's shipments are frequently stored, is not open. Because TPI does not know whether its rail car will be delivered directly to the Advanced Composites facility (which is open to reciprocal switch) or to the leased track (which is not), TPI cannot use the NS reciprocal switch route. Therefore, TPI restored Lane B-44 to the Complaint in the Fourth Amended Complaint (filed Feb. 3, 2011).

b. Lanes B-109 and B-110: Chicago, IL to Lima, OH

Lanes B-109 and 110 involve transportation of polyethylene and polypropylene, respectively, from interchange with BNSF in Chicago, IL to Lima, OH. The destination for both lanes is a CSXT-captive facility operated by Luckey Logistics, which also operates a completely separate facility in Lima that is dual-served by CSXT and the Indiana & Ohio Railway ("IORY"). All of TPI's customers in these two lanes instruct TPI to ship to the Luckey Logistics location at 401 East Robb Avenue, which is in the CSXT yard. In contrast, the address of Luckey Logistics on the IORY is 1750 North Sugar Street. Because there is not dual carrier rail service at the destination dictated by TPI's customer, there is not intramodal competition. See, Part II-B-3.a.(1)(i), infra.

Part II-B-3:
Intermodal

3. INTERMODAL COMPETITION

Within this Part II-B-3, TPI will show that various intermodal alternatives to rail do not provide effective competition to CSXT rail service. In subpart a., TPI addresses the major factors that render truck and transload transportation ineffective competitive constraints upon CSXT's rates. In subpart b., TPI addresses the significant limitations of barge transportation. TPI presents its evidence in this Part II-B-3 under the following headings:

a. Limits to Truck Transportation

(1) Constraints Upon Both Direct Truck And Rail-To-Truck Transload Transportation
- **(a) Customer Requirements**
- **(b) Rail Cars Needed For Storage**
- **(c) { [redacted] } Customers**
- **(d) High Volume Lanes**
- **(e) Compounders and Third-Party Processors**
- **(f) Medical Applications**
- **(g) Use of Leased Tracks**
- **(h) Off-Grade Customers**
- **(i) Customer-Selected Facilities**

(2) Costs of Direct Trucking to the Destination

(3) Costs of Rail-to-Truck Transloading
- **(a) Transload Cost Factors**
- **(b) Similar Transload and Rail Rates Are Not Indicative of an Effective Competitive Constraint Because CSXT Continues to Maintain a Dominant Market Share**
- **(c) Limitations on Hazardous Liquid Transloading**

b. Limits to Barge Transportation
- **(1) Polymers**
- **(2) Styrene and Aromatics**

In Part II-B-4, TPI applies the above factors to each case lane to demonstrate CSXT's market dominance over the issue movements.

a. Limits to Truck Transportation

Nearly thirty years ago, the Interstate Commerce Commission ("ICC") recognized that "the availability of many motor carrier alternatives for transportation services between two points can, in most instances, be taken for granted." Market Dominance Determinations and Consideration of Product Competition, 365 I.C.C. 118, 133 (1981), affirmed sub nom. Western Coal Traffic League v. United States, 719 F.2d 772 (5th Cir. 1983) (en banc). See also, Product and Geographic Competition, 2 I.C.C. 2d 1, 21 (1985). That is true of the issue commodities in this proceeding. However, the ICC also noted that whether or not such competition is effective requires consideration of: (i) physical characteristics of the product in question that may preclude transportation by motor carrier; (ii) the amount of the product in question that is transported by motor carrier where rail alternatives are available; (iii) the amount of the product that is transported by motor carrier under transportation circumstances (e.g., shipment size and distance) similar to rail; and (iv) the transportation costs of the rail and motor carrier alternatives. Id.

There are in theory two forms of truck transportation for the issue traffic: direct-truck to the destination and rail-to-truck transloading.[6] There are both practical and economic reasons why neither option is an effective competitive constraint upon CSXT's rates for the issue movements.

TPI presents its evidence on truck transportation in the following three subparts:

> Part (1): Constraints Upon Both Truck and Transload Transportation. This subpart identifies multiple non-economic factors that underlie CSXT's market

[6] As noted in Part II-B-1.b.(1), all polymer truck shipments are actually transloaded from rail cars because TPI cannot directly load trucks from any of its polymer production facilities. For purposes of this discussion, however, truck shipments from a rail car stored at a TPI production facility or SIT yard are considered to be direct truck shipments. In contrast, truck shipments that originate at a bulk terminal near to the destination are considered to be transload shipments.

dominance over the issue movements. One or more of these factors are present for every issue movement. Each factor, by itself, renders truck transportation impractical, whether it be a direct truck or a transload shipment, regardless whether such truck transportation has a similar or lower cost when compared to rail transportation.

Part (2): Costs of Direct Trucking to the Destination. This subpart presents cost comparisons between direct rail and direct truck transportation for the issue movements. The evidence will show that direct trucking costs are higher than rail costs for all of the issue movements, and substantially higher for all but one.

Part (3): Costs of Rail-To-Truck Transloading. This subpart presents cost comparisons between direct rail and rail-to-truck transloading for the issue movements, and it identifies physical constraints that are specific to transloading. The evidence will show that, for all but a handful of the issue movements, transloading imposes costs upon TPI that far exceed rail transportation costs. For those movements with similar or lower transload costs, the evidence also will show that the transload alternatives are not "effective" competitive constraints upon CSXT's rates, because it costs much more to provide transloading service than rail service. This permits CSXT to earn monopoly profits at the transload rate levels, while continuing to maintain a market dominant share of the traffic despite the presence of these theoretical alternatives.

(1) Constraints Upon Both Direct Truck And Rail-To-Truck Transload Transportation

Regardless of the costs of either the direct truck or transload options versus rail, if a destination facility cannot or will not accept trucks as its primary mode of delivery, neither truck option can be an effective competitive constraint upon CSXT's rates. The ICC stated, in Special Procedures for Making Findings of Market Dominance as Required by the Railroad Revitalization and Regulatory Reform Act of 1976, 353 ICC 874, 929 (1976) ("Special Procedures"), that:

> If a market is to be truly competitive, shippers must be able to respond quickly to changes in transportation charges. They must be in a position to shift their demand from one rail carrier to other rail carriers or carriers of other modes. Such a shift in demand requires not only the availability of carriers ready to provide a comparable service, but also the ability of shippers to take advantage of that service.

TPI is constrained in its ability to use alternative modes by the demands of its customers, which have the option of purchasing product from TPI's competitors if TPI cannot accommodate their needs.

Every case lane has constraints that preclude TPI from switching from rail to truck transportation even when it is physically feasible to do so and there are potential cost savings to TPI. Those constraints, which are discussed in the subsections below, are: (a) customer requirements, (b) rail cars needed for storage, (c) shipments to { [redacted] } customers, (d) high traffic volume, (e) shipments to compounders and third-party processors, (f) product used in medical applications, (g) shipments to leased tracks, (h) off-grade customers, and (i) shipments to customer-selected facilities.

(a) Customer Requirements

The single most important fact for the Board to understand about intermodal competition for the issue movements is that, while TPI pays the freight, its customers determine the mode. When a customer places an order for any of the issue commodities, it also specifies the mode of delivery. TPI cannot deviate from the customer's request, except in unusual circumstances and only after informing the customer of the need to deliver the commodity by a different mode. In the big picture, if TPI consistently fails to honor a customer's choice of transportation mode, that customer will take its business to TPI's competitors, which is evidence of CSXT's market dominance. See, e.g., E.I. du Pont de Nemours and Company v. CSX Transportation, Inc., STB Docket No. 42099, slip op. at 7 (served June 30, 2008) ("customer preference" for rail transportation is one factor that demonstrates the infeasibility of trucking); McCarty Farms v. Burlington Northern, Inc., 3 I.C.C.2d 822, 829 (1987) ("needs of the shipper or receiver" may determine feasibility of truck transportation).

Customers may express their preferred mode of delivery in different ways. Some customers explicitly require rail delivery in their purchase contracts with TPI.[7] The nature of certain sales, such as those { [redacted] } (discussed below), also indicates a rail transportation requirement even if the contract does not expressly require rail. Also, a contract is a rail-only contract if it only contains a sales price for rail delivery. A contractual requirement to deliver product "by rail makes a switch to trucks highly infeasible from an economic standpoint due to the risk of losing [the] customer or incurring breach-of-contract liability." E.I. du Pont de Nemours and Company v. CSX Transp., Inc., STB Docket No. 42101, slip op. at 6 (served June 30, 2008).

[7] TPI's contracts with customers in the following case lanes explicitly require rail deliveries: {{ [redacted] }}

Even contracts that contain delivered prices for both rail and truck shipments do not mean that the customer will accept either mode of delivery as a routine matter. There are multiple reasons why contracts contain delivered prices for both rail and truck transportation. First, some very large customers purchase commodities from TPI for multiple facilities in a single contract, including facilities without rail access. Therefore, they require both truck and rail delivered prices in their contracts, but the intent is that rail-served facilities will receive rail deliveries. Second, customers may purchase different grades and specifications of a commodity in a single contract, but in different quantities of which some may be less than rail car volumes. Third, many rail-served customers want to have a truck price in their contracts in order to cover situations where, despite their preference for rail, rail may not be available or an expedited truck shipment is necessary. In all of these scenarios, the customer expresses its requirements for each specific shipment at the time it places an order with TPI.

TPI also regularly sells to many customers on a transactional basis, without any contract.[8] The purchase order serves as the contract and those customers express their transportation requirements when they place each order. Because each customer uses its own document, purchase orders vary significantly in form and content. Some explicitly state rail or truck delivery. Others specify quantities that equate to typical rail car (*e.g.*, 190,000-215,000 lbs) or truck (*e.g.*, 45,000-48,000 lbs.) capacities.

TPI's rail-served customers overwhelmingly choose rail deliveries over trucks when both are an option. In order to demonstrate this fact, TPI has sorted all of its truck shipments of the

[8] TPI distinguishes these "transaction" purchases from "spot" purchases. "Transaction" purchasers are regular customers which purchase product from TPI on a more or less routine and predictable basis, but do not have a contract with TPI. "Spot" purchasers engage in one-off transactions that are unlikely to be repeated on any regular or predictable basis, if at all.

issue commodities from 2006 through 2010 into destinations with access to rail service and without access to rail service. The results are presented in Exhibit II-B-2.

- For aromatics, less than 2% of truck shipments were to rail-served destinations in every year.
- For styrene, less than 9% of truck shipments were to rail-served destinations in every year.
- For polyethylene, less than 5% of truck shipments were to rail-served destinations in every year.
- For polypropylene, less than 11% of truck shipments were to rail-served destinations in every year.
- For polystyrene, less than 9% of truck shipments were to rail-served destinations in every year.

In other words, where a customer is rail-served, in the overwhelming majority of cases the customer will request delivery by rail, even if truck delivery is physically possible. Truck shipments to rail-served destinations typically constitute exceptions to normal rail shipments due to a customer's need for an expedited delivery, rail service disruptions, purchases in less than rail car quantities, or insufficient time between the production date of the commodity and the requested delivery date.[9]

The case lanes follow this same pattern, as demonstrated in Exhibit II-B-11. For every rail customer in the case lanes, less than 15% of all deliveries from 2006 through 2010 were by truck. Most of those lanes had fewer than 10% truck movements, and many had zero truck movements during that time.

TPI's customer in Lane {{ [redacted] }} recently provided a succinct and informative statement as to why TPI's rail customers prefer rail:

[9] For example, there was a surge in truck shipments in 2008, after Hurricanes Ike and Gustav shuttered TPI's production for weeks. By the time TPI resumed full operations, its pre-Hurricane inventories had been depleted and customers required expedited shipments by truck in order to avoid their own plant shut-downs.

Although these are the words of just one TPI customer, these sentiments have been expressed in many ways and many times by virtually every TPI rail customer.

TPI's customers have many reasons for requiring rail deliveries; some are known to TPI and some are not. The remaining factors addressed in this Part comprise the reasons known to TPI that drive a customer's demand for rail transportation of the issue commodities. {{ [redacted] }}.[11] Whatever the reason, if the customer requires rail delivery, CSXT possesses market

[10] See Exhibit II-B-12.

[11] {{ [redacted]

dominance over that movement. In Part II-B-4, TPI identifies which of those reasons are known to pertain to specific customers in each case lane.

(b) Rail Cars Needed For Storage

Almost all of TPI's rail customers require rail transportation because they use rail cars for storage until the product is needed in the customers' manufacturing processes. This is a prevalent practice in the polymer industry that is essential to compete for most sales. Unlike rail cars, trucks cannot be used for storage because they are owned by third-parties. Therefore, in order for a customer to receive product by truck, the customer must have sufficient storage capacity.

When a customer receives a delivery of polymers, it either must unload the product immediately into the manufacturing process or store the product until needed. Very rarely can the customer use the product immediately upon delivery; to do so limits the customer's flexibility and requires that deliveries be carefully coordinated with the customer's production schedules. Even customers that have storage silos frequently rely upon rail cars for the majority of their storage capacity. This is especially true for customers that receive large numbers of rail cars. In addition, customers that use multiple grades of polymers prefer to use rail cars for storage rather than construct many separate silos. By using TPI's rail cars for storage, customers do not incur the cost of maintaining their own separate storage facilities and they have greater operating flexibility.

TPI has identified customers in the following case lanes who do not have *any* storage silos: {{ [redacted] }} As noted above, however, this issue is

[redacted] }}

[12] Silos inaccessible to bulk trucks.

not limited to just those lanes. Even customers with some storage silos still use rail cars extensively for additional storage and operational flexibility.[13] Thus, as noted at the start of this subsection, limited storage is a factor that causes almost every rail-served TPI customer to purchase product for rail delivery, which makes CSXT market dominant.

(c) {[redacted]} Customers

{[redacted]} are a variation of the rail car storage issue discussed in the immediately preceding section. In a typical, {[redacted]} sales transaction, TPI invoices the customer as soon as the shipment leaves TPI's control at the production facility, SIT yard, leased track or bulk terminal; and the customer owns the product at that point. {[redacted]} the transportation must be by railcar because, unlike privately-owned rail cars, trucks cannot be used for storage, and therefore, must be "tapped" immediately upon delivery. Thus, TPI's {[redacted]} sales contracts are always for delivery by rail.

Most {[redacted]} customers purchase product in large volumes that ensures a steady and uninterrupted supply at their facility. {[redacted]} The inability of {[redacted]} customers to use trucks for storage renders CSXT market dominant over shipments to {[redacted]} customers. TPI sells to customers {[redacted]} in the following case lanes: {{[redacted]}}

[13] See Exhibit II-B-12.

(d) High Volume Lanes

TPI's ability to use trucks instead of rail to serve case customers also is a function of volume. Several case lanes involve transportation of over a hundred railcars per year to the same customer facility. Switching these lanes to truck or transload transportation could require several hundred to over 1000 truckloads per year to a single facility. Almost universally, TPI's high-volume customers do not want to receive such a large number of truck deliveries. Nor do they have sufficient silo capacity to store such large volumes of polymer or the requisite paved area to stage multiple trucks per day for unloading. Each truck delivery also requires four times as much handling and unloading, which consumes employee time and represents an additional cost to the customer.

The inability and/or unwillingness of TPI's customers to receive large volumes of product by truck renders CSXT market dominant for high volume movements. TPI customers in the following case lanes have received over 100 rail cars, and up to as many as 423 cars, in at least one year since 2006: { [redacted] }[14]

(e) Compounders and Third-Party Processors

Many TPI customers instruct TPI to deliver their purchased commodities to compounders and third-party processors for further processing. Deliveries to compounders and third-party processors are yet another manifestation of the need to store product in rail cars. Because these third-party locations process polymers of many different grades and specifications for many different clients, they do not have the silo capacity to separately store each grade until needed for processing. Therefore, rail car deliveries are essential to the transportation of polymers to compounders and third-party processors.

[14] TPI MD Op. Electronic Work Paper "Truck and Rail Volumes" in "Ex. II-B-11 Workpapers" folder.

A compounder is an entity that modifies polymers in their plastic pellet form. A typical modification is to add color pigment to the plastic pellets. Once the compounder has completed the modifications, it forwards the pellets to the purchaser or third-party processor for a manufacturing application.

A third-party processor is a manufacturer that provides its services to TPI's customers and manufactures the polymer on their behalf. Some of TPI's customers, for example, are not themselves manufacturers, but instead purchase the product and send it to a third party processor to manufacture on the customer's behalf. Even TPI customers who have their own manufacturing capabilities may choose to use third-party processors to manufacture some products from polymers. In addition, some TPI customers may be both manufacturers of their own polymers and also provide their services as third party processors.

Whether a compounder or a third-party processor, the actual processing of the polymer occurs in batches based on the specific characteristics of the commodity and the desired result of the processing. The third party will process all of a customer's polymer in a single batch run. After each run, the third party will retool and/or recalibrate according to the specifications and requirements of its next customer. Rail cars are needed to store the polymer until the third party processor is ready to use it. The inability of trucks to participate in transportation to most compounders and third party processors means that CSXT possesses market dominance over such movements. TPI ships to compounders or third-party processors in the following case lanes: {{ [redacted] }}

[15] {{ [redacted] }}

(f) Medical Applications

Some customers utilize TPI's polymers in medical applications. These customers are extra sensitive to potential contamination from transloading. Therefore, all TPI shipments to these customers is via rail whenever possible, which means that CSXT possesses market dominance over movements to customers that use TPI's product in medical applications. Cf. FMC Wyoming Corp. v. Union Pac. R.R. Co., 4 STB 699, 720 (2000) ("FMC") (Board notes receiver's "product integrity" concern in finding that transloading is not effective competition).

TPI sells polymer to customers in eight case lanes for use in medical applications. {{ [redacted] }} None of these customers has received a single truck shipment from TPI since 2006, except for {{ [redacted] }} trucks received in Lane {{ [redacted] }} and {{ [redacted] }} in Lane {{ [redacted] }} See Exhibit II-B-11.

(g) Use of Leased Tracks

TPI uses leased tracks in various locations around the country in order to stage loaded railcars near certain customers, thereby reducing risk of transportation problems and also minimizing the lag time between when the customer places an order and when it receives the product. The customer is not invoiced until the railcar leaves the leased track, which also makes this arrangement attractive to TPI's customers because it gives them additional time to pay TPI. Title to the product remains with TPI until the railcar is released from the leased track for delivery to the customer. Direct truck transportation to TPI's customers would preclude TPI from using leased tracks, thereby decreasing the quality of service to these customers.

Because TPI's shipments to leased track is essential for it to compete for a customer's business, and this is a service that cannot be provided by trucks, CSXT possesses market dominance over movements to leased track destinations. The following case lanes involve TPI

shipments to or from such leased tracks: { [redacted] }

(h) Off-Grade Customers

Some of TPI's customers purchase off-grade polymer products. "Off-grade" signifies that the product does not meet the strict specifications of any particular polymer grade; instead, the product has a wide specification range within the same batch. TPI does not plan to produce off-grade product; rather, off-grade product is the result of a batch production that fails to meet the specifications of a particular grade of polymer.

Each batch of off-grade product is different, and the off-grade market is very price-driven. Customers who order off-grade product generally want to receive all of a particular batch at the same time, because they must recalibrate their facilities for each unique batch. Customers who have storage silos typically do not want to store off-grade product in them.

For all of these reasons, off-grade customers prefer to receive deliveries via rail. As evidence of this fact, TPI does not sell off-grade product for truck delivery in the normal course of business. TPI sells off-grade product to customers in {{ [redacted] }}

(i) Customer-Selected Facilities

The destination for several of the case lanes in this proceeding is a customer-selected bulk terminal transload facility or leased track, from which subsequent transportation is the responsibility of TPI's customer. The Board should evaluate market dominance in this situation differently than it would if TPI selected the bulk terminal or leased track and was responsible for the subsequent transportation.

When TPI's customer selects the bulk terminal or leased track and is responsible for arranging the continuing transportation to an end-user that is not TPI's customer, that facility is as fixed, from TPI's perspective, as it is when TPI ships directly to the manufacturing facility of a customer that is the end user of the product. Unlike scenarios where TPI selects the bulk terminal or leased track and at least theoretically could choose to use a terminal or leased track on a different railroad, TPI lacks any such discretion when its customer makes these decisions. Therefore, TPI has included lanes in this case where the destination is a bulk terminal or leased track selected by TPI's customer, and thus cannot be changed by TPI.

This situation occurs most commonly with TPI customers who are brokers or resellers of TPI's products. Such customers are not the end-users of the product. Rather, they purchase TPI's product and direct TPI to deliver the product to a bulk terminal or leased track where the broker stores the product until it can be resold to a third party. They may resell the product in smaller truckload quantities from a bulk terminal or they may store the car on leased track until the entire rail car can be resold.[16] In both scenarios, the broker uses TPI's rail car for storage. The broker is responsible for all bulk terminal charges or other intermediate facility charges and subsequent transportation arrangements. TPI has no further involvement in the transportation once rail delivery is completed to the broker, and indeed, often does not even know the identity and ultimate location of the end-user, which is the customer of the broker, not TPI.

A broker may prefer one facility over another for a variety of reasons. These may include facility capacity, proximity to the broker's customers, and the ability of the broker's contract motor carrier to access that facility. In order to secure favorable rates and reserved capacity, a broker also may enter into long-term leases with a specific facility. TPI is not privy

[16] In a third scenario that is not implicated by this discussion, brokers direct TPI to ship the rail car directly to the broker's customer (i.e., the end-user).

to the specific reasons that its broker-customers require TPI to ship product to a specific facility. Therefore, the market dominance analysis for these lanes should be based on where the broker instructs TPI to deliver the product.

The above discussion is not limited to just brokers. TPI also has end-user customers who direct TPI to ship rail cars to a specific bulk terminal or leased track and the customer assumes responsibility for all subsequent transportation. In some cases, the customer may lease track or select a bulk terminal on a specific rail carrier based upon financial incentives that the rail carrier provides to the customer. While the financial incentive accrues to the customer, TPI is rendered captive to the rail carrier for the transportation service.[17] Because TPI does not select the destination, such facilities should be considered just as fixed as the production facility of an end-user customer in a market dominance analysis.

Therefore, CSXT possesses market dominance over movements to customer-selected facilities, such as bulk terminals and leased tracks, that only have access to CSXT rail service. This includes the following case lanes: Lanes B-2 (the TRANSFLO terminal), B-34 (Lynn Scott), B-38 (Davies Trucking), B-48 (SEAPAC), B-55 (A&R Transport), B-60 (Bayview Yard), B-61 (Lynn Scott), B-66 (St. Mary's West), B-70 (TRANSFLO), B-97 (ZKR Express), B-98 (ZKR Express), B-102 (SEAPAC), B-104 (Davies Trucking), B-109 (Luckey Trucking), B-110 (Luckey Trucking), and B-112 (Dixie Transport; TRANSFLO).

[17] {{ [redacted] }}

(2) Costs of Direct Trucking to the Destination

The direct truck option can be dispensed with solely on the comparative economics of truck versus rail pricing, without even getting into the impracticalities of direct trucking that are addressed in the preceding subpart. FMC, 4 STB at 719 ("substantial rate disparity" sufficient to show lack of effective competition). In Exhibit II-B-4, TPI has compared its rates to directly truck the issue commodities from its production facilities and/or SIT yards to the destinations in each case lane with its through route rail rates from the same origins.[18] The rates are based upon TPI's actual truck and rail contracts as of 1Q2011.[19] For every case lane evaluated, TPI's truck rates are considerably higher than its rail rates, with one exception. {{ [redacted]

[18] TPI excluded from this rate comparison case lanes where the destination is a bulk terminal or leased track, because trucking to those locations would be absurd. At both destinations, TPI would have to position empty rail cars to receive the truck shipments, which means that TPI still would incur rail transportation costs. Separate rail cars would be required for each grade of polymer, and each rail car would need to be cleaned after every four loads. Furthermore, in the case of bulk terminals, TPI's customer would be transloading those rail cars right back into trucks. The bulk terminal and leased track destination lanes that TPI excluded are Lanes { [redacted] }, B-2 (only the TRANSFLO destination), { [redacted] } B-34, B-38 (only the Davies Trucking destination), B-48, B-55, B-60 (only the Mass Polymers Bayview Yard destination), B-61 (only the Lynn Scott destination), B-66 (only the St. Mary's West leased track), B-70, B-97, B-98, B-102, B-104, B-109, B-110 { [redacted] }.

TPI also excluded case lanes where the origin is a leased track, because the leased tracks are not TPI-approved bulk terminals for transloading from rail to truck. { [redacted] } Additionally, for all of these same lanes { [redacted] } the preceding movement of the rail car to the leased track is captive to CSXT. Therefore, CSXT's market dominance over the inbound movement would extend to the outbound movement because the purpose of shipping a rail car to leased track is to ultimately ship that rail car from the leased track to a customer.

[19] At the time of this filing, TPI was close to finalizing new trucking contracts. Although those contracts will change TPI's truck rates, TPI has used the expiring contract rates because the new rates are not yet finalized. {{ [redacted] }} TPI's use of 1Q2011 rates is conservative.

[redacted] }}[20] None of these truck costs even consider additional personnel costs that TPI would incur from having to process and track four times as many truck sales as rail car sales, or the higher inventory carrying costs associated with truck shipments. TPI's substantially higher trucking rates, by themselves, mean that direct-trucking is not an effective competitive constraint upon CSXT's rates for any of the issue movements.

[20] See Part II-B-3.a.(1)(e), supra, for discussion of third-party processors.

(3) Costs of Rail-to-Truck Transloading

This subpart evaluates the costs of rail-to-truck transload alternatives for the issue movements. Subsection (a) estimates the total transload costs for each case customer and compares those costs with the rail transportation costs; subsection (b) explains why comparable transload and rail costs for some case customers do not constitute "effective" competition; and subsection (c) addresses transload issues unique to the three case lanes involving aromatics and styrene, which are hazardous liquids.

(a) Transload Cost Factors

In Exhibit II-B-5, TPI has compared its transload costs with its rail costs for the case lanes.[21] TPI's total transload costs are the sum of its rail rates to the bulk terminal, the applicable bulk terminal fees and storage charges, truck rates from the bulk terminal to TPI's customer, additional personnel costs, additional rail car lease and maintenance costs, and inventory carrying costs. For its analysis, TPI presumes that transload costs that are as much as 10% higher than rail costs are sufficiently comparable to be a constraint upon rail rates (although not necessarily an "effective" constraint).

Transportation-Related Costs. In order to develop its transload costs, TPI first determined its transportation-related cost components for rail, bulk terminals and trucks. Those costs are based upon actual TPI rail, truck and bulk terminal agreements as of 1Q2011.[22] TPI selected the lowest cost bulk terminal for each case lane that is part of its approved network of

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[21] TPI excluded the same lanes from this transload analysis that it excluded from the direct truck analysis in Exhibit II-B-4 for the reasons provided in note 18, supra, except that TPI's reason for excluding { [redacted] } from this transload analysis is because the origins and destinations are captive to CSXT, which precludes TPI from avoiding CSXT via a single rail-truck transload. In addition, TPI excluded Lanes B-16 and 64 {{ [redacted] s }}.

[22] See note 20, supra.

bulk terminals.[23] TPI estimated bulk terminal storage charges based upon the 2010 average days that TPI's rail cars spent in storage at bulk terminals within TPI's approved network (*i.e.*, {{ [redacted] }} days) less the number of free days that the specific terminal permits. Without even considering any of the additional non-transportation costs that transloading would impose upon TPI, CSXT clearly possesses market dominance over 23 case lanes, because the direct transportation cost of rail to truck transloading alone exceeds the cost of rail transportation by more than 10% for each of these lanes.[24] These costs are shown in Exhibit II-B-5.

Personnel Costs. Next, TPI estimated that its additional personnel costs associated with converting a single rail car shipment to four truck shipments is {{ [redacted] }} per rail car.[25] TPI employees currently spend an average of {{ [redacted] }} hours per delivery note ("DN") at a cost of {{ [redacted] }} per DN, whether the DN is for a rail car or a truck. Because a rail-truck transload requires five DNs (1 rail car plus 4 trucks) compared with just one DN for a direct rail shipment,

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[23] Actual costs based upon TPI's existing bulk terminal network is the best evidence of TPI's transportation-related transload costs. TPI distributes its products to truck-served customers through a carefully optimized network of bulk terminals around the country. The network is designed to minimize overlapping terminal coverage and to minimize the distance to TPI's customers to under 250 miles. Exhibit II-B-8 is a map of TPI's current bulk terminal network. Each terminal must be capable of handling the volumes of the TPI customers within its coverage area, and it must meet TPI's standards for safety, quality, and service. Because TPI's bulk terminal network has been designed to provide optimal coverage to TPI's truck-served customers, the network would have to be significantly redesigned and expanded to include TPI's current rail-served customers. Because this is not a project that can be undertaken easily or quickly, or that can be frequently modified, transloading is not an effective competitive constraint. Special Procedures, 353 ICC at 929 ("If a market is to be truly competitive, shippers must be able to respond quickly to changes in transportation charges."). Cf. Quaker Oats Company – Transportation Within Texas and California – Petition for Declaratory Order, 4 I.C.C.2d 1033, 1044-1045 (1987) (ICC recognizes value of "inventory and distribution strategies" as a means to keep inventory to a minimum).

[24] Those 23 lanes are {{ [redacted] }}

[25] TPI MD Op. Electronic Work Paper "Transload Cost Analysis," sheet "Personnel Costs" in the "Ex. II-B-5 & 6 Workpapers" folder.

the additional personnel cost is {{ [redacted]. }} This cost is shown separately in Exhibit II-B-5.

Inventory Carrying Costs. TPI also will have higher inventory carrying costs on every case lane except for shipments to { [redacted] } customers and TPI-leased track destinations. When TPI ships a rail car directly to a customer, it is able to invoice the customer immediately and the customer takes title to the product.[26] In contrast, shipments through bulk terminals cannot be invoiced until the truck ships from the bulk terminal, because the bulk terminal serves as the staging center for TPI's inventory close to the destination. Thus, because TPI must carry its product inventory on its books for a longer period of time than when shipping directly to the customer via rail, TPI has included inventory carrying costs in its transload costs.

In order to calculate its additional inventory carrying cost for transload shipments, TPI employed the following values:

- A 2010 average of {{ [redacted] }} hold days for rail cars at TPI terminals;[27]
- The 2010 average loaded transit days for each case lane;[28]
- The cost of each issue commodity on a cents per pound basis;[29]
- . A rail car capacity of 197,000 pounds for polymers and 185,000 for liquids; and

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[26] The only exceptions to the above rule are rail shipments { [redacted] } to TPI-leased storage tracks. { [redacted] } For shipments to leased tracks, TPI stages rail cars closer to the customer but prior to the actual sale. Therefore, TPI has not included inventory carrying costs within transload costs when a case customer falls within one of those two categories.

[27] TPI MD Op. Electronic Work Paper "2010 Bulk Terminal Hold Days" in the "Ex. II-B-5 & 6 Workpapers" folder.

[28] TPI MD Op. Electronic Work Paper "2010 Transit Days" in the "Ex. II-B-5 & 6 Workpapers" folder.

[29] TPI MD Op. Electronic Work Papers "Sty and PS Product Cost;" "PE and PP Product Cost;" "Sty Product Cost;" and "Aromatics Product Cost" in the "Ex. II-B-5 & 6 Workpapers" folder.

- A {{ [redacted] }} internal cost of capital.[30]

TPI added the first two bullets to obtain the total extra days that a transload shipment remains in TPI's inventory before it can be invoiced to TPI's customer. TPI then multiplied that sum by the values provided in the other three bullets and divided by 36500 to obtain the inventory carrying cost per rail car that would be transloaded in each lane. The results are summarized in Exhibit II-B-6 and included in the Exhibit II-B-5 calculation of total transload costs.

Rail Car Costs. Transloading will impose additional rail car lease and maintenance costs upon TPI if the car dwells longer at a bulk terminal than when shipped directly to the customer, because TPI will require additional rail cars to handle the same traffic volume. The opposite will be true if the rail car dwell time at a terminal will be shorter. Thus, for some lanes, transloading will add rail car costs while for other lanes it may reduce those costs.

TPI calculated the impact of transloading upon its rail car lease and maintenance costs based upon the following values:

- A 2010 average of {{ [redacted] }} hold days for rail cars at TPI terminals;[31]
- The 2010 average hold days per rail car at each customer facility;[32]
- Average rail car lease cost of {{ [redacted] }} per car per day;[33] and
- Average rail car maintenance cost of {{ [redacted] }} per car per day.[34]

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[30] TPI MD Op. Electronic Work Paper "Cost of Capital" in the "Ex. II-B-5 & 6 Workpapers" folder.

[31] TPI MD Op. Electronic Work Paper "2010 Bulk Terminal Hold Days" in the "Ex. II-B-5 & 6 Workpapers" folder.

[32] TPI MD Op. Electronic Work Paper "2010 Cust Hold Days" in the "Ex. II-B-5 & 6 Workpapers" folder.

[33] TPI MD Op. Electronic Work Paper "Rail Car Lease Costs" in the "Ex. II-B-5 & 6 Workpapers" folder.

[34] TPI MD Op. Electronic Work Paper "TPI Rail Car Maintenance Costs" in the "Ex. II-B-5 & 6 Workpapers" folder.

TPI subtracted the second bullet from the first bullet to calculate the incremental additional storage days that a transload shipment would spend at a bulk terminal compared with the time that a direct rail shipment would spend at a customer location.[35] Where this number is positive, TPI would incur additional rail car costs; but where it is negative, transloading would reduce TPI's rail car costs. TPI multiplied this number of days by the sum of the last two bullets to calculate the total rail car cost reduction or increase from transloading. The results for each lane are summarized in Exhibit II-B-6 and applied to increase or decreases the inventory carrying cost in Exhibit II-B-5, as appropriate.

Total Transloading Costs. When the additional personnel, inventory, and rail car costs are added to the transportation-related costs, the significant economic cost of transloading becomes abundantly clear. Exhibit II-B-5 shows that the number of case lanes with transload costs that are less than rail costs is just nine, and the number of case lanes where the rail costs exceed the transload costs by ten percent or less is just eight. Thus, based solely upon consideration of TPI's transload costs, CSXT possesses market dominance over all but seventeen case lanes.[36]

(b) Similar Transload and Rail Rates Are Not Indicative of an Effective Competitive Constraint Because CSXT Continues to Maintain a Dominant Market Share.

It is a well-established principal that comparable pricing among modes does not, by itself, constitute effective competition:

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[35] In case lanes that serve more than one customer, this value may differ by customer because different customers have different histories for holding onto rail cars. As a result, there may be different costs for different customers within the same case lane.

[36] The seventeen remaining lanes that have transload costs less than, or within 10% of, their rail costs are {{ [redacted] }}

> Even if we were to find that the cost of trucking the product is similar to the cost of using rail after the CSXT rate increase, it does not follow that the threat of trucking is evidence of effective competition. After all, even a monopolist finds that there is a profit-maximizing price beyond which it cannot raise prices without adversely affecting its bottom line. A carrier possessing market power might set its rates so high that it would begin to lose business to a higher-cost alternative (such as a trucking company). As the Board has previously noted, while this may create an "outer limit" constraint, it does not necessarily mean that effective competition is present.

DuPont, STB Docket No. 42099, slip op. at 7-8 (underline in original) (footnotes omitted). See also, Ariz. Pub. Serv. Co. v. U.S., 742 F.2d 644, 650-51 (D.C. Cir. 1984) (a constraint does not equate to effective competition). Consequently, the fact that some transload rates are less than or comparable to CSXT's rates merely demonstrates that CSXT has priced up to the nearest, higher cost alternative, not that such alternative constitutes effective competition.

This principal is highly relevant to the issue traffic because CSXT has increased the challenged rates significantly over the past three years while continuing to maintain a dominant market share. See FMC, 4 STB at 718 (2000) ("the fact that [carrier] matches prices set by alternatives with significantly higher costs, while maintaining a dominant market share, is not enough to demonstrate effective competition for the traffic at issue"). In Special Procedures, 353 ICC at 929, the ICC held that "the absence of any diversion after a reasonable time following a rate increase" is strong evidence of market dominance.

CSXT imposed its first significant rate increases over 3 years ago, and has continued to increase rates every year since, without a loss of the issue traffic.[37] CSXT first imposed significant rate increases in 2007, when TPI's contract rates increased by a volume weighted average of { [redacted] }. Exhibit II-B-7 shows the history of CSXT's rate increases for the issue

[37] See, TPI MD Op. Electronic Work Papers, "Truck and Rail Volumes" in the "Exhibit II-B-11 Workpapers" folder, for the annual total of the truck and rail volumes in each case lane.

traffic, beginning with that 2007 increase. Through the recent recession in 2008 and 2009, CSXT continued to take smaller rate increases in most of the case lanes, even while motor carrier alternatives were reducing their rates. And in 2010, when TPI switched to tariff rates, CSXT's rates increased again by double and triple digits in all but eight case lanes. Thus, this is not a situation where CSXT's tariff rates represent the first significant rate increase and there may not have been sufficient time to determine if traffic will be diverted to other alternatives. TPI's inability to divert the issue traffic from CSXT to alternative modes despite a protracted period of CSXT rate increases, even during a lengthy and severe economic recession, is compelling evidence of CSXT's market dominance.

The pace and degree of CSXT's rate increases has created some absurdities in TPI's sales contracts with its customers that illustrate CSXT's attempt to use its market dominance to push its rates to the outer limits of its market power. When TPI's sales contracts have prices for both rail and truck deliveries, the customer must pay a premium for truck delivery.[38] That premium reflects a long-standing truism that both TPI and its customers have always understood: because truck transportation costs more, the customer must pay more for truck deliveries. CSXT has challenged that truism by setting its rates at the outer limits of its market power. As a result, CSXT is generating huge monopoly profits – a strong indication of substantial market power.

In Exhibit II-B-10, TPI demonstrates that the transload option is in fact a much higher cost alternative than CSXT's rail transportation, which permits CSXT to earn much higher profits than the transload alternatives at the same rate levels. For 58 case lanes where the price for transload service is less than or comparable to CSXT's rail price (including delivering short

[38] TPI MD Op. Electronic Work Papers, "Customer Contracts" folder, folders {{ [redacted] }}

line carriers), TPI has estimated the cost of providing both services.[39] Across every lane, the cost of providing the transload service ranged from 1.5 to nearly 6 times higher than the cost of providing rail service.[40] CSXT's profit margins would exceed those of the transload providers by anywhere from $1072 to $5641 per carload.[41] This indicates that CSXT has substantial room to increase rates up to the higher cost transload alternatives without fear of losing the issue traffic to those alternatives. If transloading constituted effective competition, CSXT would not be able to price these movements to generate such rich returns. The fact that it has done so indicates that transloading is not an effective competitive constraint.

Finally, the R/VC ratios generated by approximately 101 of the challenged rates exceed 300%, and reach as high as 1253%, despite the existence of transload alternatives.[42] Although evidence that rail revenues substantially exceed variable costs by itself does not indicate market dominance, when such data is supported by other evidence, as is the case in this proceeding, it "may serve to buttress a finding that the existing level of competition may not be effective to constrain rail rates to a reasonable level." E.I. du Pont de Nemours and Company v. CSX Transp., Inc., STB Docket No. 42101, slip op. at 5 (served June 30, 2008), citing McCarty Farms, 3 I.C.C. 2d at 832.

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[39] For this analysis, TPI compared only the prices of the rail and transload alternatives. TPI did not include its internal costs associated with transloading (*e.g.* additional personnel, rail car, and inventory costs). See, TPI MD Op. Electronic Work Papers, "Transload Cost Analysis," sheet "STB Exhibit II-B-5," Col. P & Q, in the "Ex. II-B-5 & 6 Workpapers" folder.

[40] See Exhibit II-B-10, Attachments 1, 2 & 3, Col. (6).

[41] Id., Col. (9).

[42] The precise number of case lanes above 300% R/VC varies depending upon which quarterly time period is considered. See Exhibits II-A-1, 2 and 3.

(c) Limitations on Hazardous Liquid Transloading

Transloading of styrene and aromatics is problematic because there are few terminals that are able to transload hazardous liquids. The costs and difficulties faced by transload terminals that handle hazardous liquids include liability concerns, costly insurance, special infrastructure requirements, employee training, and compliance with extensive federal and state laws. The process for TPI to qualify terminals for hazardous transloading also is more time consuming, encompasses more terminal procedure requirements, and requires additional Health Safety & Environmental personnel.

Lanes B-16, B-30 and B-64 are the only hazardous liquid lanes in this proceeding. {{ [redacted] }} Therefore, truck transloading is not competitive with rail for each of the hazardous liquid case lanes.

b. Limits to Barge Transportation.

(1) Polymers.

The polymer industry requires transportation of polymers to occur exclusively through a lot size that approximates normal railcar capacity (*e.g.* 197,000 pounds). Product certification and quality control occur by lot, and each lot is sampled, undergoes quality controls, and follows particular specifications. Polymers are not transported except in lots of approximately this size. Customers require use of these uniform lot sizes, which are also necessary for certification and quality control. Barges are not compartmentalized into these lot-sized units. To TPI's knowledge, no one in the polymers industry has ever transported polymers in loose pellets via barge.[43]

Even if polymers could be transported via bulk barge, TPI's three polymer manufacturing facilities do not have the capability to load barges with bulk polymers. Neither the La Porte, TX Polypropylene Plant nor the Bayport, TX High Density Polyethylene Plant is located on a navigable waterway. The La Porte facility is separated from the Houston Ship Channel by third-party owned property, and the nearest commercial dock is about five miles distant. The Bayport facility is separated from Galveston Bay by a public road and third-party owned property. The Carville, LA Styrenics Complex is connected by a piperack across a public road to the Mississippi River, but piperack use is limited to liquids. Commodities in solid or pellet form, such as polystyrene, cannot use the piperack. Loading barges with bulk polymers would require truck transportation from all three facilities.

[43] Over a decade ago, some polymer producers experimented with roll-on, roll off barge transportation, which constitute the shipment of loaded rail cars via barge. That option is not viable for the issue movements because the rail destinations are captive to CSXT, which means that only CSXT could deliver the rail cars. Regardless, to TPI's knowledge, the "RO-RO" barge option never progressed beyond this experiment and is not used by anyone today.

Finally, barges require river terminals at which to unload. No such terminals exist for unloading and storing loose pellets. Furthermore, because each case lane destination is captive to CSXT, the final leg of transportation would have to occur by truck, thereby invoking all of the truck and transload impediments described in Part II-B-3.a., supra.

(2) Styrene and Aromatics.

TPI occasionally transports bulk styrene via barge from its Carville, LA Styrenics Complex. As mentioned above, a piperack for liquids connects the Styrenics Complex to the Mississippi River across a public road. Although the KMTEX facility in Port Arthur, TX is on the intracoastal waterway, TPI does not engage in barge transportation of bulk aromatics from KMTEX.

Use of barge transportation requires a customer that has the physical capability and desire to accept not just barge delivery but also a large quantity of product at one time. Alternatively, barge transportation can be used as part of an intermodal shipment to a customer. That is, barge transportation to a bulk terminal can be followed by truck or rail transportation to the customer. TPI, in fact, does transport styrene via barge to a bulk terminal in {{ [redacted] }}. That terminal is not located in reasonable proximity to the single styrene destination, Galloway, FL (Lane B-16), in this proceeding. Therefore, use of a barge-truck movement in Lane B-16 is not effective competition to CSXT rail service.

Establishment of a new styrene bulk terminal to serve the customer in Lane B-16 would be prohibitively expensive, especially for the volumes purchased by that customer. This customer does not typically purchase the capacity of a full barge in any single year and certainly not in a single purchase.

Furthermore, it is not practical to store styrene for long periods of time due to its reactivity, which is controlled by the addition of an inhibiting agent. The Federal Railroad Administration added styrene to its list of "Time-Sensitive Commodities" in 2005 because the inhibiting agent deteriorates over time. 70 Fed. Reg. 58503 (Oct. 6, 2005).[44] In response, the Association of American Railroads has included styrene in Circular No. OT-55-L, Appendix D, which identifies time-sensitive materials that must be monitored in-transit to ensure delivery within thirty days so that the inhibiting agent does not deteriorate to a point where the styrene becomes unstable.[45]

TPI's customers in Lanes B-16 (styrene), B-30 (aromatics), and B-64 (aromatics) are not located on navigable waterways and do not have the ability to accept bulk barges. Nor do they purchase in sufficient volumes to ship by barge to an intermodal terminal, where TPI would have to store the product for extended time periods until ordered by the customer.

[44] TPI MD Op. Electronic Work Paper "FRA Advisory"

[45] TPI MD Op. Electronic Work Paper "OT-55-L"

Part II-B-4:
Lane Summaries

4. INDIVIDUAL LANE SUMMARIES.

This subpart addresses each case lane individually by summarizing key facts, referencing the applicable truck/transload limitation factors discussed in Part II-B-3.a., and discussing matters unique to individual lanes. Key cost and volume evidence is summarized for each lane in a chart presented in the following format. The footnotes in the sample chart below provide the source of the data, and will not be repeated for each lane because the source is the same.

Lane #	Commodity	CSXT Origin-Destination		CSXT tariff rate[46]		R/VC [47]	
Transportation modes to reach TPI customer		**Rate**	**Year**	**Railcar volume**[48]	**Truck volume**		
					rail cars[49]	trucks[50]	
Rail using CSXT tariff[51]			2008				
Direct truck[52]			2009				
Transload[53]			2010				

[46] This is the CSXT tariff and fuel surcharge as of 1Q2011 from Exhibit II-A-7.

[47] This R/VC calculation is from Exhibit II-A-3, which calculates the R/VC as of 1Q2011.

[48] All rail volumes are based on the TPI MD Op. Electronic Work Paper "Truck and Rail Volumes" in the "Ex. II-B-11 Workpapers" folder.

[49] Conversion of trucks to rail cars is based on 4 trucks to 1 rail car.

[50] All truck volumes are based on TPI MD Op. Electronic Work Paper "Truck and Rail Volumes" in the "Ex. II-B-11 Workpapers" folder. Truck volumes include both direct truck and transload shipments from any origin to customer facilities, which may or may not be the rail destinations (*e.g.* a leased track).

[51] The "through rail rate" from TPI's production facility or SIT yard to the customer's designated delivery location is from Exhibit II-B-4 and TPI MD Op. Electronic Work Paper "TPI Op Ex II-B-4 workpaper" (in the "Ex. II-B-4 Workpapers" folder), which is based upon TPI's rail contracts with other carriers and the CSXT tariff rates at 1Q2011 levels. See TPI MD Op. Electronic Work Paper "Rail Contracts" folder. The CSXT rate in Exhibit II-B-4 may differ from the CSXT rate in Exhibit II-A-7 because the latter uses an average fuel surcharge for all of 1Q2011.

[52] The direct truck rate is from Exhibit II-B-4 and TPI MD Op. Electronic Work Paper "TPI Op Ex II-B-4 workpaper" (in the "Ex. II-B-4 Workpapers" folder), which includes the line-haul rate, fuel surcharge, and accessorial charges for bulk truck transportation from TPI's production facility, or nearby SIT yard, to the customer's facility, which may not be the same as the rail destination, based upon 1Q2011 rates. The rates are from TPI's truck contracts at 1Q2011 levels. See TPI MD Op. Electronic Work Paper "Truck Contracts" folder.

Lane A-2: Clinton, IN to Atherton, IN

A-2	PP	Clinton, IN to Atherton, IN		CSXT tariff $2727	R/VC 441%
Transportation modes to reach TPI customer		**Rate**	**Year**	**Railcar volume**	**Truck volume** rail equivalent / trucks
Rail using CSXT tariff		{{ }}	2008	{ }	{{ }} / {{ }}
Direct truck		item #8 below	2009	{ }	{{ }} / {{ }}
Transload		item #8 below	2010	{ }	{{ }} / {{ }}

Lane Facts

1. Customer is { }.
2. Transportation is from { } Clinton, IN to delivery location in Atherton, IN. { }.[54]
3. Truck volumes are from transload facilities at TPI SIT yards in Texas and Oklahoma,[55] { }. See TPI MD Op. Electronic Work Paper "Truck and Rail Volumes."

CSXT possesses market dominance because:

4. {{ }}
5. Customer preference for rail is consistent with less than {{ }} of volume by truck in 2010 and {{ }} truck volumes in 2008 and 2009.
6. { }
7. { }
8. {{ }} {

[53] Transloading cost is from Exhibit II-B-5 and TPI MD Op. Electronic Work Paper "Transload Cost Analysis" (in the "Ex. II-B-5 & 6 Workpapers" folder), which includes the cost of rail transportation (avoiding CSXT) to a bulk terminal, terminal costs, and truck delivery to the customer's facility at 1Q2011 rate levels, plus TPI's additional personnel, rail car, and inventory carrying costs. In lanes with multiple customers, this cost is presented as a range of the lowest and highest transload cost, because each customer may have a different rail car cost factor and some may not have inventory carrying costs. The intermodal terminal used is the lowest cost terminal within TPI's approved network of terminals.

[54] {{ }}

[55] TPI no longer operates out of the Oklahoma SIT yard.

[56] {{ }}

[redacted] }

9. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b)..

10. {{ [redacted] . }}

Lane B-1: Memphis, TN to Social Circle, GA

B-1	PP	Memphis, TN to Social Circle, GA	CSXT tariff $5598	R/VC 415%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #8 below	2009	{ }	{{ }}	{{ }}
Transload	item #8 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to { } Great Walton Railroad ("GRWR").
3. CSXT recently changed its routing protocol, so all movements of polypropylene to Social Circle are now routed through New Orleans (Lane B-28).[57] The rail volumes provided above reflect the total of Lanes B-1 and B-28, because all Social Circle volumes will move over the route dictated by CSXT's routing protocols.
4. { } See the discussion of these lanes for details regarding the each customer served through Social Circle.

CSXT possesses market dominance because:

5. Customer preference for rail is consistent with {{ }} truck volumes.
6. Movement is inbound { }
7. { }
8. Truck and transload rates are not applicable { }
9. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
10. {{ }}

[57] Lane B-1 must remain in this proceeding because of historical volumes for which TPI is entitled to reparations, and for the possibility that CSXT will again change its routing protocol or some other reason that would require or permit TPI to use the Memphis to Social Circle routing. In fact, TPI prefers the Memphis routing because it is less expensive, but CSXT's current routing protocol specifies that shipments to Social Circle must go through New Orleans.

Lane B-2: Memphis, TN to Evansville, IN

B-2	PP	Memphis, TN to Evansville, IN	CSXT tariff $4947	R/VC 420%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ 8}}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to TPI customers in Evansville, IN.
3. { }
4. Other than { }, the remaining six customers in Evansville are all brokers {{ }}
5. Five of the six brokers direct deliveries to be made to the Ferro Corporation, a third-party compounder in Evansville that modifies the polypropylene (such as by adding color).[58]
6. The sixth broker-customer in Evansville is { } This is an unusual situation where the broker takes delivery at a physical facility that it owns, as opposed to directing delivery to its third-party customer or a bulk terminal.
7. {{ }}

CSXT possesses market dominance because:

8. { }
9. Customer preference for trucks is consistent with just {{ }} of deliveries by truck in each of last three years.
10. Direct truck rates are {{ }} the through rail rate. See Part II-B-3.a.(2).
11. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
12. Truck and transload rates do not apply to the CSXT TRANSFLO Terminal destination because it would be irrational to send trucks to a CSXT-captive terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
13. Destination is a third-party compounder for 6 of 7 customers. See Part II-B-3.a.(1)(e).
14. {{ }}
15. Cumulative 2006-2010 rate increase: { }. See Part II-B-3.a.(3)(b).
16. {{ }}

[58] Deliveries are routed either to Ferro directly or to Ferro's storage track.

Lane B-3: New Orleans, LA to Covington, GA

B-3	PS	New Orleans, LA to Covington, GA	CSXT tariff $6069	R/VC 399%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload {{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers in Covington are { }
2. Transportation is from interchange with CN to delivery locations in Covington, GA.
3. { }

CSXT possesses market dominance because:

4. Customer preference for rail is consistent with less than {{ }} of deliveries by truck in 2008 and {{ }} trucks in 2009 and 2010.
5. { }
6. {{ }}
7. {{ }}
8. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
9. Transload rate is {{ }} higher. See Part II-B-3.a.(3).
10. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
11. {{ }}

Lane B-4: Chicago, IL to Clinton, IN

B-4	PP	Chicago, IL to Clinton, IN	CSXT tariff $3743	R/VC 551%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #9 below	2009	{ }	{{ }}	{{ }}
Transload	item #9 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is {{ } }
2. Transportation is from interchange with BNSF to { } Clinton, IN.
3. This is the inbound movement { }
4. Truck volumes are to customer { }

CSXT possesses market dominance because:

5. {{ }}.[59]
6. { }
7. Movement is inbound { }
8. Customer preference for rail is consistent with less than {{ }} of volume by truck in 2010 and {{ }} truck volumes in 2008 and 2009.
9. Truck and transload rates are not applicable { }
10. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
11. {{ }}

[59] {{ }}

Lane B-5: New Orleans, LA to Ampthill, VA

B-5	PE	New Orleans, LA to Ampthill, VA	CSXT tariff $9348	R/VC 343%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }.
2. Transportation is from interchange with BNSF to delivery location in Ampthill, VA.

CSXT possesses market dominance because:

3. {{ }}
4. {{ }}
5. { }
6. Customer preference for rail is consistent with {{ }} truck deliveries in each of the past three years.
7. Direct Truck rate is {{ }} the through rail rate. See Part II-B-3.a.(2).
8. {{ }} See Part II-B-3.a.(3)(b).
9. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
10. {{ }}

Lane B-6: Memphis, TN to Bowling Green, KY

B-6	PP	Memphis, TN to Bowling Green, KY	CSXT tariff $5084	R/VC 514%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Bowling Green, KY

CSXT possesses market dominance because:

3. Customer preference for rail consistent with {{ }} of total deliveries by truck in the last three years.
4. { }
5. Direct truck rate is {{ }} the through rail rate. See Part II-B-3.a.(2).
6. Transload rate is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-7: New Orleans, LA to Conyers, GA

B-7	PS	New Orleans, LA to Conyers, GA	CSXT tariff $6064	R/VC 409%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery locations in Conyers, GA

CSXT possesses market dominance because:

3. Just {{ }} of deliveries by truck in past three years is consistent with customer preference for rail.
4. {{ }}
5. { }
6. Direct truck rate is {{ }} higher than rail rate. See Part II-B-3.a.(2).
7. Transload rate is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

Lane B-8: New Orleans, LA to Barnett, GA

B-8	PP	New Orleans, LA to Barnett, GA	CSXT tariff $7169	R/VC 441%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #6 below	2009	{ }	{{ }}	{{ }}
Transload	item #6 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { } in Washington, GA.
2. Transportation is from interchange with BNSF to interchange with Georgia Woodlands Railroad ("GWRC") in Barnett, GA.
3. After interchange with CSXT, GWRC transports railcars to { } Washington, GA { }.

CSXT possesses market dominance because:

4. Movement is inbound { }
5. Less than {{ }} of deliveries by truck is consistent with customer preference for rail.
6. Truck and transload rates are not applicable { }
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-9: New Orleans, LA to Athens, GA

B-9	PP	New Orleans, LA to Athens, GA	CSXT tariff $6089	R/VC 371%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Athens, GA
3. { }

CSXT possesses market dominance because:

4. {{ }} truck volume is consistent with customer preference for rail delivery.
5. { } {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

Lane B-10: Memphis, TN to Vine Hill, TN

B-10	PP	Memphis, TN to Vine Hill, TN	CSXT tariff $5046	R/VC 929%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. The primary TPI customer is { }, although { } is a broker that requests shipments be delivered to its customer, Diamond Plastics { }.
2. Transportation is from interchange with BNSF to interchange with NERR in Vine Hill, TN

CSXT possesses market dominance because:

3. {{ }}
4. {{ }}
5. {{ }} truck deliveries in the last three years is consistent with customer preference for rail.
6. Direct truck rate nearly {{ }} the rail rate. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

[60] This is the through rail rate to { }. The rate to { } is {{ }}

[61] This is the transload cost to { }. } The transload cost to { } is {{ }}

Lane B-11: New Orleans, LA to Hope Hull, AL

B-11	PS	New Orleans, LA to Hope Hull, AL	CSXT tariff $4372	R/VC 420%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with CN to { } Hope Hull, AL.
3. { } is a broker that directs deliveries to its customer, { } Therefore, the delivery location is the same for both customers.

CSXT possesses market dominance because:

4. {{ }}
5. Almost {{ }} truck deliveries in last three years is consistent with customer preference for rail.
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-12: New Orleans, LA to Oneco, FL

B-12	PP	New Orleans, LA to Oneco, FL	CSXT tariff $8078	R/VC 388%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #5 below	2009	{ }	{{ }}	{{ }}
Transload	item #5 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { } in Sarasota, FL.
2. Transportation is from interchange with BNSF to interchange with Seminole Gulf Railway ("SGLR") in Oneco, FL.
3. After interchange with CSXT, SGLR transports railcars to { } Sarasota, FL { }.

CSXT possesses market dominance because:

4. Just {{ }} of deliveries by truck in last three years is consistent with customer preference for rail.
5. Truck and transload rates are not applicable { .}
6. Movement is inbound { }
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-13: Memphis, TN to Glasgow, KY

B-13	PS	Memphis, TN to Glasgow, KY	CSXT tariff $5098	R/VC 475%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with CN to delivery location in Glasgow, KY.
3. { } is a broker that requests that its deliveries be made to its customer { } Therefore, the delivery location is the same.

CSXT possesses market dominance because:

4. { } no silo storage for polystyrene. Therefore, bulk truck deliveries in the past few years have required that the customer transload the polystyrene from trucks into railcars for storage. This requires pre-positioning empty rail cars at customer's facility, which is an additional cost. See Part II-B-3.a.(1)(b).
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

Lane B-14: New Orleans, LA to Winchester, VA

B-14	PS	New Orleans, LA to Winchester, VA	CSXT tariff $9657	R/VC 279%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with CN to delivery location in Winchester, VA

CSXT possesses market dominance because:

3. Customer preference for rail is consistent with truck deliveries that are {{ [redacted] }} of total volume.
4. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ [redacted] }} higher. See Part II-B-3.a.(3).
6. Cumulative 4 year rate increase: { [redacted] } See Part II-B-3.a.(3)(b).
7. {{ [redacted] }}

Lane B-15: Chicago, IL to Orangeburg, NY

B-15	PE	Chicago, IL to Orangeburg, NY	CSXT tariff $7729	R/VC 342%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Orangeburg, NY.

CSXT possesses market dominance because:

3. {{ }}
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
7. {{ }}

Lane B-16: New Orleans, LA to Galloway, FL

B-16	Sty	New Orleans, LA to Galloway, FL	CSXT tariff $7193	R/VC 300%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload	item #4 below	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with CN to delivery location in Galloway, FL.
3. Styrene is a hazardous liquid.

CSXT possesses market dominance because:

4. {{ [redacted] }}
5. {{ [redacted] }}
6. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
7. Truck deliveries have ranged from {{ [redacted] }} of total volume in the past three years.
8. Cumulative 2006-2010 rate increase: { [redacted] } See Part II-B-3.a.(3)(b).

Lane B-17: Chicago, IL to Anderson, IN

B-17	PP	Chicago, IL to Anderson, IN	CSXT tariff $3908	R/VC 540%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Primary customer is { }, but some shipments are to { }
2. Transportation is from interchange with BNSF to delivery location in Anderson, IN
3. Both customers direct their shipments to Resin Partners, a third-party processor.

CSXT possesses market dominance because:

4. {{ }}
5. Destination is a third-party processor. See Part II-B-3.a.(1)(e).
6. {{ }}
7. Direct truck rate is nearly {{ }} higher. See Part II-B-3.a.(2).
8. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
9. {{ }}

Lane B-18: Chicago, IL to Cincinnati, OH

B-18	PE	Chicago, IL to Cincinnati, OH	CSXT tariff $4637	R/VC 422%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in Cincinnati, OH.

CSXT possesses market dominance because:

3. Truck deliveries account for {{ }} of total volumes in last three years.
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
7. {{ }}

Lane B-19: Memphis, TN to Evansville, IN

B-19	PS	Memphis, TN to Evansville, IN	CSXT tariff $4947	R/VC 420%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload {{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery location in Evansville, IN.
3. Same customer as Lane B-119, but origin is { }, whereas Lane B-119 origin is { }.

CSXT possesses market dominance because:

4. { } trucks in 2008 and 2009, and less than {{ }} of 2010 total shipments.
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-20: Chicago, IL to Cumberland, MD

B-20	PP	Chicago, IL to Cumberland, MD	CSXT tariff $6612	R/VC 408%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload {{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }.
2. Transportation is from interchange with BNSF to delivery location in Cumberland, MD.
3. Customer directs TPI to send shipments to Superfos, a third-party processor.

CSXT possesses market dominance because:

4. Trucks delivered {{ }} of total shipments in the last three years.
5. Destination is a third-party processor. See Part II-B-3.a.(1)(e).
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2007-2010 rate increase: { }[62] See Part II-B-3.a.(3)(b).
9. {{ }}

[62] Rate first provided in 2007.

Lane B-21: New Orleans, LA to Hamlet, NC

B-21	PP	New Orleans, LA to Hamlet, NC	CSXT tariff $6909	R/VC 329%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload {{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Hamlet, NC

CSXT possesses market dominance because:

3. {{ }}[63]
4. Customer lacks silo storage. See Part II-B-3.a.(1)(b).
5. Only {{ }} truck shipments in three years.
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. {{ }}
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

[63] {{ }}

Lane B-22: Chicago, IL to Mentor, OH

B-22	PP	Chicago, IL to Mentor, OH	CSXT tariff $5012	R/VC 408%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to { } Mentor, OH.
3. { }

CSXT possesses market dominance because:

4. {{ }} See Part II-B-3.a.(1)(h).
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2007-2010 rate increase: { }[64] See Part II-B-3.a.(3)(b).
9. {{ }}

[64] Rate first provided in 2007.

Lane B-23: New Orleans, LA to North Cove, NC

B-23	PE	New Orleans, LA to North Cove, NC	CSXT tariff $7715	R/VC 310%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in North Cove, NC

CSXT possesses market dominance because:

3. {{ }}
4. Customer uses product in medical applications. See Part II-B-3.a.(1)(f).
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. {{ }}
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-25: Memphis, TN to Guthrie, KY

B-25	PS	Memphis, TN to Guthrie, KY	CSXT tariff $5075	R/VC 739%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with CN to interchange with R.J. Corman Railroad (Memphis) in Guthrie, KY.

CSXT possesses market dominance because:

3. Most of the truck deliveries in 2010 were attempts by the customer to keep its facility operating in light of delayed railcar deliveries due to TPI supply problems with this particular grade of polystyrene. In 2008 and 2009, trucks accounted for {{ [redacted] }} of total volume.
4. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ [redacted] }} higher. See Part II-B-3.a.(3).
6. Cumulative 2006-2010 rate increase: { [redacted] } See Part II-B-3.a.(3)(b).

Lane B-26: New Orleans, LA to Beech Island, SC

B-26	PS	New Orleans, LA to Beech Island, SC	CSXT tariff $7147	R/VC 400%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery location in Beech Island, SC

CSXT possesses market dominance because:

3. Hurricane Gustav contributed to the higher truck volumes in 2008.
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
7. {{ }}

Lane B-28: New Orleans, LA to Social Circle, GA

B-28	PP	New Orleans, LA to Social Circle, GA	CSXT tariff $6086	R/VC 448%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #6 below	2009	{ }	{{ }}	{{ }}
Transload	item #6 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to { } Great Walton Railroad ("GRWR").
3. Before CSXT recently changed its routing protocol, all movements of polypropylene to Social Circle were routed through Memphis (Lane B-1). The rail volumes provided above reflect the total of Lanes B-1 and B-28, because all Social Circle volumes will move over the route dictated by CSXT's routing protocols.
4. { }

CSXT possesses market dominance because:

5. { }
6. Truck and transload rates are not applicable { }
7. {{ }} truck volumes.
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

Lane B-29: Memphis, TN to Piqua, OH

B-29	PS	Memphis, TN to Piqua, OH	CSXT tariff $6553	R/VC 355%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery location in Piqua, OH

CSXT possesses market dominance because:

3. {{ }}
4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-30: East St. Louis, IL to Painesville, OH

B-30	Ar	E. St. Louis, IL to Painesville, OH	CSXT tariff $3836	R/VC 226%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with UP to delivery location in Painesville, OH
3. Customer directs that all deliveries be made to Lubrizol Corporation, which is a blender for liquids.
4. Commodity is a hazardous liquid.

CSXT possesses market dominance because:

5. Destination is a blender of liquids. See Part II-B-3.a.(1)(e).
6. Truck shipments are less than {{ [redacted] }} of total volumes in the last three years.
7. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
8. Transload cost is {{ [redacted] }} higher. See Part II-B-3.a.(3).

Lane B-31: New Orleans, LA to Monroe, NC

B-31	PP	New Orleans, LA to Monroe, NC	CSXT tariff $8562	R/VC 422%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ $ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ $ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Monroe, NC.
3. Customer directs that all deliveries be made to Tri-Plas Corporation.

CSXT possesses market dominance because:

4. {{ }} trucks in 2008 and 2010, and just {{ }} in 2009.
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. {{ . }} See Part II-B-3.a.(3)(b).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-32: Effingham, IL to Terre Haute, IN

B-32	PS	Effingham, IL to Terre Haute, IN	CSXT tariff $3642	R/VC 509%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ 5 }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with CN to delivery locations in Terre Haute, IN
3. Both customers in this lane are brokers. { } directs that delivery be made to Ampacet Corporation, and { } directs that delivery be made to Futurex.

CSXT possesses market dominance because:

4. {{ }}
5. Only {{ }} in last three years.
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-33: Chicago, IL to Terre Haute, IN

B-33	PE	Chicago, IL to Terre Haute, IN	CSXT tariff $3777	R/VC 449%

Transportation modes to reach TPI customer	Rate
Rail using CSXT tariff	{{ }}
Direct truck	{{ }}
Transload{{ }}	{{ }}

Year	Railcar volume	Truck volume	
		rail equivalent	trucks
2008	{ }	{{ }}	{{ }}
2009	{ }	{{ }}	{{ }}
2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery location in Terre Haute, IN
3. All four customers are brokers that direct their shipments to the same Futurex Industries location.

CSXT possesses market dominance because:

4. No history of truck shipments.
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-34: Chicago, IL to Utica, NY

B-34	PP	Chicago, IL to Utica, NY		CSXT tariff $7638	R/VC 485%
Transportation modes to reach TPI customer	**Rate**	**Year**	**Railcar volume**	**Truck volume**	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #5 below	2009	{ }	{{ }}	{{ }}
Transload	item #5 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to interchange with Mohawk, Adirondack & Northern Railroad in Utica, NY
3. Customer is a broker that directs all deliveries to a bulk terminal operated by Lynn Scott, Inc. in Utica, NY.

CSXT possesses market dominance because:

4. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
5. Truck and transload rates do not apply because destination is a customer-selected bulk terminal and it would be absurd to truck to a bulk terminal. See note 18, supra.
6. {{ }}
7. Cumulative 2007-2010 rate increase: { }[65] See Part II-B-3.a.(3)(b).
8. {{ }}

[65] Rate first provided in 2007.

Lane B-35: New Orleans, LA to Cartersville, GA

B-35	PP	New Orleans, LA to Cartersville, GA	CSXT tariff $6012	R/VC 487%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Cartersville, GA
3. Customer is a broker that directs shipments be made to Samuel/Sekisui Strapping LLC.

CSXT possesses market dominance because:

4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-36: New Orleans, LA to Stanley, NC

B-36	PP	New Orleans, LA to Stanley, NC	CSXT tariff $8498	R/VC 512%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Stanley, NC.

CSXT possesses market dominance because:

3. {{ . }}
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. {{ }} See Part II-B-3.a.(3)(b).
6. Cumulative 2007-2010 rate increase: { }[66] See Part II-B-3.a.(3)(b).

[66] Rate first provided in 2007.

Lane B-37: New Orleans, LA to Laurens, SC

B-37_	PP	New Orleans, LA to Laurens, SC	CSXT tariff $7355	R/VC 498%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to interchange with Carolina Piedmont Division of the South Carolina Central Railroad in Laurens, SC.
3. There is a lack of historical rail and truck volumes because this lane represents new business for TPI. Traffic is estimated to be { } railcars per year.

CSXT possesses market dominance because:

4. {{ }}
5. {{ }}
6. { }
7. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
8. {{ }}
9. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
10. {{ }}

Lane B-38: New Orleans, LA to Deland, FL

B-38	PP	New Orleans, LA to Deland, FL	CSXT tariff $7764	R/VC 361%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in Deland, FL.
3. { } is a broker.

CSXT possesses market dominance because:

4. {{ }}
5. { } directs shipments to be delivered to the Davies Trucking terminal. See Part II-B-3.a.(1)(i).
6. { } uses product in medical applications. See Part II-B-3.a.(1)(f).
7. {{ }}
8. Truck and transload rates do not apply to the Davies Trucking destination because it would be absurd to truck to a bulk terminal. See note 18, supra.
9. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
10. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
11. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-39: New Orleans, LA to Lawrenceville, GA

B-39	PE	New Orleans, LA to Lawr'ville, GA	CSXT tariff $6070	R/VC 402%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in Lawrenceville, GA.
3. { } is a broker that directs all shipments be made to its customer Rehrig Pacific Company.

CSXT possesses market dominance because:

4. {{ }}
5. {{ }} truck shipments in 2008 and 2009, and less than {{ }} in 2010.
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher, with {{ }} See Part II-B-3.a.(3)(b).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

Lane B-42: Effingham, IL to New Hope, PA

B-42	PS	Effingham, IL to New Hope, PA	CSXT tariff $8447	R/VC 389%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with CN to interchange with New Hope & Ivyland Railroad in New Hope, PA
3. { } is a broker that directs that shipments be made to its customer, { } Therefore, the destination is the same for both customers.

CSXT possesses market dominance because:

4. {{ }}
5. { } purchased {{ }} of its 2009 volume in bulk trucks because it was using up the remaining inventory of a discontinued grade of polystyrene that was stored at a warehouse. Except for those shipments, there have been { } truck shipments in the last three years.
6. {{ }}
7. The direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
8. {{ }} See Part II-B-3.a.(3)(b).
9. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-43: New Orleans, LA to Covington, GA

B-43	PP	New Orleans, LA to Covington, GA	CSXT tariff $6069	R/VC 400%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Covington, GA.
3. Alternate direct rail route to a combination of Lanes B-1 or B-28 with B-116. See also, discussion of Lanes B-1, B-28 and B-116.

CSXT possesses market dominance because:

4. { } {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. {{ }}
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-44: East St. Louis, IL to Sidney, OH

B-44	PP	E. St. Louis, IL to Sidney, OH	CSXT tariff $5171	R/VC 476%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Sidney, OH.
3. Customer directs that shipments be made to Advanced Composites, which is a third-party processor.
4. Shipments may be delivered directly to Advanced Composites or to a leased track in CSXT's Ansonia Yard. Although the customer facility is open to NS reciprocal switch, the leased track is not. See Part II-B-2.a for further background and description regarding this Lane.

CSXT possesses market dominance because:

5. Destination is a third-party processor. See Part II-B-3.a.(1)(e).
6. {{ }} truck shipments in 2008 and 2009, and {{ }} in 2010.
7. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
8. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
9. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-45: New Orleans, LA to Hollywood, FL

B-45	PP	New Orleans, LA to Hollywood, FL	CSXT tariff $7941	R/VC 286%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with BNSF to delivery location in Hollywood, FL.

CSXT possesses market dominance because:

3. Customer uses TPI's product in medical applications. See Part II-B-3.a.(1)(f).
4. {{ [redacted] }}
5. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ [redacted] }} higher. See Part II-B-3.a.(3).
7. Cumulative 2009-2010 rate increase: { [redacted] }[67] See Part II-B-3.a.(3)(b).

[67] Rate first provided in 2009.

Lane B-46: New Orleans, LA to Lakeland, FL

B-46	PS	New Orleans, LA to Lakeland, FL	CSXT tariff $8048	R/VC 367%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery location in Lakeland, FL.
3. Customer directs that all shipments be made to Coral Plastics.

CSXT possesses market dominance because:

4. Destination does not have storage silos to accept truck deliveries. See Part II-B-3.a.(1)(b).
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

Lane B-48: New Orleans, LA to Ackerman, GA

B-48	PP	New Orleans, LA to Ackerman, GA	CSXT tariff $6062	R/VC 414%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #7 below	2009	{ }	{{ }}	{{ }}
Transload	item #7 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Ackerman, GA
3. Customer is a broker and directs that shipments be made to a bulk terminal operated by Seapac Inc.

CSXT possesses market dominance because:

4. {{ }}
5. {{ }}
6. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
7. Truck and transload rates do not apply because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
8. Cumulative 2009-2010 rate increase: { }[68] See Part II-B-3.a.(3)(b).
9. {{ }}

[68] Rate first provided in 2009.

Lane B-49: Chicago, IL to Westboro, MA

B-49	PE	Chicago, IL to Westboro, MA	CSXT tariff $9072	R/VC 368%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with BNSF to delivery location in Westboro, MA.

CSXT possesses market dominance because:

3. {{ [redacted] }}
4. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
5. {{ [redacted] }} See Part II-B-3.a.(3)(b).
6. Cumulative 2008-2010 rate increase: { [redacted] }[69] See Part II-B-3.a.(3)(b).

[69] Rate first provided in 2008.

Lane B-51: Memphis, TN to Gallaway, TN

B-51	PS	Memphis, TN to Gallaway, TN	CSXT tariff $4518	R/VC 1006%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with CN to delivery location in Gallaway, TN.

CSXT possesses market dominance because:

3. Customer uses product in medical applications. See Part II-B-3.a.(1)(f).
4. {{ [redacted] }}
5. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ [redacted] }} higher. See Part II-B-3.a.(3)(b).
7. Cumulative 2006-2010 rate increase: { [redacted] } See Part II-B-3.a.(3)(b).

Lane B-52: Memphis, TN to Bridgeport, AL

B-52	PS	Memphis, TN to Bridgeport, AL	CSXT tariff $5496	R/VC 930%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to interchange with Sequatchie Valley Railroad in Bridgeport, AL.
3. Customer directs that all shipments be delivered to a third-party compounder, O'Neil Color & Compounding { }.

CSXT possesses market dominance because:

4. Destination is a compounder. See Part II-B-3.a.(1)(e).
5. Just {{ }} in last three years.
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2). But, compounders cannot routinely receive truck deliveries due to lack of storage and a need to precisely time truck deliveries to the processing schedule. See also, Part II-B-3.a.(3)(b).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3)(b).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

Lane B-53: Memphis, TN to Vine Hill, TN

B-53	PE	Memphis, TN to Vine Hill, TN	CSXT tariff $5046	R/VC 929%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to interchange with Nashville & Eastern Railroad ("NERR") at Vine Hill, TN.

CSXT possesses market dominance because:

3. {{ }}
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-54: New Orleans, LA to La Grange, GA

B-54	PP	New Orleans, LA to La Grange, GA	CSXT tariff $5589	R/VC 413%

Transportation modes to reach TPI customer	Rate
Rail using CSXT tariff	{{ }}
Direct truck	{{ }}
Transload{{ }}	{{ }}

Year	Railcar volume	Truck volume	
		rail equivalent	trucks
2008	{ }	{{ }}	{{ }}
2009	{ }	{{ }}	{{ }}
2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in La Grange, GA.

CSXT possesses market dominance because:

3. { } uses TPI's product in medical applications. See Part II-B-3.a.(1)(f).
4. {{ }}
5. {{ }}
6. Ropak does not have silo storage to accept trucks. See Part II-B-3.a.(1)(b).
7. {{ }}
8. {{ }} in last three years.
9. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
10. {{ }}
11. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-55: New Orleans, LA to Ansley, MS

B-55	PS	New Orleans, LA to Ansley, MS	CSXT tariff $5464	R/VC 1199%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #7 below	2009	{ }	{{ }}	{{ }}
Transload	item #7 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with CN to delivery locations in Ansley, MS.
3. Both customers are brokers that direct TPI to make shipments to the A&R Transport bulk terminal in Ansley, MS, from where they re-sell TPI's product and transport it via truck to their customers.

CSXT possesses market dominance because:

4. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
5. Railcars are needed to store TPI's polystyrene at the A&R terminal until transloading to trucks occurs. See Part II-B-3.a.(1)(b).
6. {{ }}
7. Truck and transload rates do not apply because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
8. Cumulative 2009-2010 rate increase: { }[70] See Part II-B-3.a.(3)(b).
9. {{ }}

[70] Rate first provided in 2009

Lane B-56: Chicago, IL to Terre Haute, IN

B-56	PP	Chicago, IL to Terre Haute, IN	CSXT tariff $3777	R/VC 449%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }[71]
2. Transportation is from interchange with BNSF to delivery location in Terre Haute, IN.

CSXT possesses market dominance because:

3. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
4. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
5. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

[71] In its Reply to CSXT's "Motion for Expedited Determination of Jurisdiction Over Challenged Rates," TPI mistakenly informed the Board that the customer in Lane B-56 was the same as the customer in Lane A-2. See TPI Reply at 19 (note 10) (filed Oct. 21, 2010).

Lane B-57: Memphis, TN to Hopkinsville, KY

B-57	PE	Memphis, TN to Hopkinsville, KY	CSXT tariff $5086	R/VC 507%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Hopkinsville, KY

CSXT possesses market dominance because:

3. {{ }}
4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { . } See Part II-B-3.a.(3)(b).

Lane B-58: New Orleans, LA to Orlando, FL

B-58	PE	New Orleans, LA to Orlando, FL	CSXT tariff $7778	R/VC 356%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Orlando, FL.

CSXT possesses market dominance because:

3. {{ }}
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-59: New Orleans, LA to Augusta, KY

B-59	PP	Memphis, TN to Augusta, KY	CSXT tariff $7988	R/VC 358%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Augusta, KY.

CSXT possesses market dominance because:

3. The only truck shipments received by customer were {{ }} in 2010.
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. {{ }} See Part II-B-3.a.(3)(b).
6. Cumulative 2007-2010 rate increase: { }[72] See Part II-B-3.a.(3)(b).

[72] Rate first provided in 2007.

Lane B-60: New Orleans, LA to Baltimore, MD

B-60	PE	New Orleans, LA to Baltimore, MD	CSXT tariff $9947	R/VC 335%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in Baltimore, MD.
3. Both customers are brokers.
4. { } directs that all shipments be made to Tenax.
5. { } directs that shipments be made to three different locations: (1) Tenax; (2) Syntec (which cannot accept bulk truck delivery); and (3) the Bayview Yard terminal.

CSXT possesses market dominance because:

6. {{ }}
7. { } shipments to Syntec must be by rail because Syntec cannot receive bulk trucks. See Part II-B-3.a.(1)(b).
8. { } shipments to the Bayview Yard is to a customer-selected leased track. See Parts II-B-3.a.(1)(i).
9. Truck and transload rates do not apply to the Bayview Yard shipments because it would be irrational to send trucks to a location where product would have to be transloaded into railcars for storage. See note 18, supra.
10. {{ }}
11. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
12. {{ }} See Part II-B-3.a.(3)(b).
13. Cumulative 2007-2010 rate increase: { }[73] See Part II-B-3.a.(3)(b).
14. {{ }}

[73] Rate first provided in 2007.

Lane B-61: Chicago, IL to Utica, NY

B-61	PE	Chicago, IL to Utica, NY		CSXT tariff $7638	R/VC 485%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload {{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are {{ }}
2. Transportation is from interchange with BNSF to interchange with Mohawk, Adirondack & Northern Railroad in Utica, NY.
3. { } is a broker that directs TPI to make all shipments to the Lynn Scott bulk terminal.

CSXT possesses market dominance because:

4. Lynn Scott destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
5. Truck and transload rates do not apply to the Lynn Scott terminal because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
6. {{ }}
7. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
8. {{ }} See Part II-B-3.a.(3)(b).
9. Cumulative 2007-2010 rate increase: { }[74] See Part II-B-3.a.(3)(b).

[74] Rate first provided in 2007.

Lane B-62: Chicago, IL to Clarksburg, WV

B-62	PP	Chicago, IL to Clarksburg, WV	CSXT tariff $6481	R/VC 365%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. TPI's primary customer is { }, although some shipments also go to { }
2. Transportation is from interchange with BNSF to delivery locations in Clarksburg, WV.
3. { } is a broker that directs TPI to make all shipments to its customer, Medical Action Industries.

CSXT possesses market dominance because:

4. Medical Action Industries uses TPI's product in medical applications. See Part II-B-3.a.(1)(f).
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2007-2010 rate increase: { }[75] See Part II-B-3.a.(3)(b).
9. {{ }}
10. {{ }}

[75] Rate first provided in 2007.

Lane B-63: Memphis, TN to Madisonville, KY

B-63	PP	Memphis, TN to Madisonville, KY	CSXT tariff $4929	R/VC 458%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ Y}}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Madisonville, KY.

CSXT possesses market dominance because:

3. {{ }}
4. {{ }}[76]
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2008-2010 rate increase: { }[77]. See Part II-B-3.a.(3)(b).

[76] {{ }}.

[77] Rate first provided in 2008.

Lane B-64: New Orleans, LA to Atlanta, GA

B-64	Ar	New Orleans, LA to Atlanta, GA	CSXT tariff $5791	R/VC 396%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload	item #6 below	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with UP to delivery location in Atlanta, GA.
3. Hazardous liquid.

CSXT possesses market dominance because:

4. {{ [redacted] }}
5. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
6. {{ [redacted] }}
7. Cumulative 2006-2010 rate increase: { [redacted] } See Part II-B-3.a.(3)(b).

Lane B-66: New Orleans, LA to Wareco, GA

B-66	PP	New Orleans, LA to Wareco, GA	CSXT tariff $7122	R/VC 460%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { } in Waresboro, GA.
2. Transportation is from interchange with BNSF to interchange with St. Marys West Railway at Wareco, GA.
3. Both customers are brokers.
4. { } directs that all shipments be made to Willacoochee Industrial Fabrics.
5. { } leases track from St. Marys West as storage for its broker operations.

CSXT possesses market dominance because:

6. {{ }}
7. Truck and transload rates are not instructive for the { } movements because it would be irrational to send trucks to a leased track where product would have to be transloaded into railcars for storage. See note 18, supra.
8. {{ }}
9. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
10. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
11. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
12. {{ }}

Lane B-67: Chicago, IL to Akron, OH

B-67	PP	Chicago, IL to Akron, OH	CSXT tariff $5045	R/VC 360%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Akron, OH.

CSXT possesses market dominance because:

3. Customer is a compounder. See Part II-B-3.a.(1)(e).
4. {{ }} in the last three years.
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-69: Memphis, TN to Gallaway, TN

B-69	PP	Memphis, TN to Gallaway, TN	CSXT tariff $4518	R/VC 1006%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Gallaway, TN.
3. This is a past customer that TPI desires to regain, but cannot do so without reasonable rail rates {{ }}

CSXT possesses market dominance because:

4. Customer uses TPI's product in medical applications. See Part II-B-3.a.(1)(f).
5. Customer does not have silo storage. See Part II-B-3.a.(1)(b).
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-70: New Orleans, LA to Chattanooga, TN

B-70	PP	New Orleans, LA to Chattanooga, TN	CSXT tariff $5948	R/VC 345%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #6 below	2009	{ }	{{ }}	{{ }}
Transload	item #6 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Chattanooga, TN.
3. { }
4. {{ }}

CSXT possesses market dominance because:

5. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
6. Truck and transload rates do not apply because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
7. { }
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
9. {{ }}

Lane B-71: New Orleans, LA to Eton, GA

B-71	PP	New Orleans, LA to Eton, GA	CSXT tariff $5948	R/VC 330%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload {{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Eton, GA.

CSXT possesses market dominance because:

3. {{ }}
4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. {{ }}
7. Cumulative 2009-2010 rate increase: { }[78] See Part II-B-3.a.(3)(b).
8. {{ }}

[78] Rate first provided in 2009.

Lane B-72: New Orleans, LA to Tyner, TN

B-72	PP	New Orleans, LA to Tyner, TN	CSXT tariff $5953	R/VC 341%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Tyner, TN.

CSXT possesses market dominance because:

3. {{ }}
4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-74: Memphis, TN to Vine Hill, TN

B-74	PE	Memphis, TN to Vine Hill, TN	CSXT tariff $5046	R/VC 929%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to interchange with NERR in Vine Hill, TN.

CSXT possesses market dominance because:

3. {{ }}
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3)(b).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-75: Memphis, TN to Jackson, TN

B-75	PP	Memphis, TN to Jackson, TN	CSXT tariff $4502	R/VC 715%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck.	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Jackson, TN.

CSXT possesses market dominance because:

3. Over {{ }} of shipments by rail.
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
7. {{ }}

Lane B-76: Memphis, TN to Lewisburg, TN

B-76	PP	Memphis, TN to Lewisburg, TN	CSXT tariff $5168	R/VC 352%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload {{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Lewisburg, TN.

CSXT possesses market dominance because:

3. {{ }}
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3)(b).
6. Cumulative 2009-2010 rate increase: { }[79] See Part II-B-3.a.(3)(b).
7. {{ }}

[79] Rate first provided in 2009.

Lane B-77: New Orleans, LA to Evergreen, AL

B-77	PE	New Orleans, LA to Evergreen, AL	CSXT tariff $3158	R/VC 388%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Evergreen, AL.
3. Customer is a broker that directs all shipments be made to Tenax Manufacturing.

CSXT possesses market dominance because:

4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-78: New Orleans, LA to Helena, AL

B-78	PP	New Orleans, LA to Helena, AL	CSXT tariff $5178	R/VC 603%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with BNSF to delivery location in Helena, AL.
3. Customer is a broker that directs all deliveries to its customer ABC Polymer Industries, LLC.

CSXT possesses market dominance because:

4. {{ [redacted] }}
5. {{ [redacted] }}
6. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ [redacted] }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { [redacted] } See Part II-B-3.a.(3)(b).

Lane B-79: New Orleans, LA to Newnan, GA

B-79	PP	New Orleans, LA to Newnan, GA	CSXT tariff $6026	R/VC 467%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in Newnan, GA.
3. { } are brokers that direct all deliveries be made to their customer { } Therefore, all shipments are to the same location regardless of the customer.

CSXT possesses market dominance because:

4. {{ }}
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2009-2010 rate increase: { }[80] See Part II-B-3.a.(3)(b).
9. {{ }}

[80] Rate first provided in 2009.

Lane B-80: New Orleans, LA to Green Spring, WV

B-80	PP	New Orleans LA to Green Spring WV	CSXT tariff $9597	R/VC 329%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to interchange with South Branch Valley Railroad in Green Spring, WV.
3. Both customers are brokers that direct their shipments to Adell Polymers.

CSXT possesses market dominance because:

4. {{ }}
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher, {{ }}
8. Cumulative 2007-2010 rate increase: { }[81] See Part II-B-3.a.(3)(b).
9. {{ }}

[81] Rate first provided in 2007.

Lane B-81: Chicago, IL to Indianapolis, IN

B-81	PS	Chicago, IL to Indianapolis, IN	CSXT tariff $4020	R/VC 520%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery locations in Indianapolis, IN.
3. Customer is a broker that handles the polystyrene out of its own facility.

CSXT possesses market dominance because:

4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-82: Chicago, IL to Livonia, MI

B-82	PE	Chicago, IL to Livonia, MI	CSXT tariff $5566	R/VC 540%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Livonia, MI.
3. Customer is a broker that directs all shipments be made to its customer, West-Win Ltd.

CSXT possesses market dominance because:

4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2009-2010 rate increase: { }[82] See Part II-B-3.a.(3)(b).
8. {{ }}

[82] Rate first provided in 2009.

Lane B-83: Chicago, IL to Lockport, NY

B-83	PP	Chicago, IL to Lockport, NY	CSXT tariff $6491	R/VC 430%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] 0 }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with BNSF to delivery location in Lockport, NY.
3. Customer is a broker that directs all shipments be made to Spartech Color & Specialty Compounds.

CSXT possesses market dominance because:

4. {{ [redacted] }}
5. Direct truck cost is {{ [redacted] }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ [redacted] }} higher. See Part II-B-3.a.(3).
7. Cumulative 2009-2010 rate increase: { [redacted] }[83] See Part II-B-3.a.(3)(b).

[83] Rate first provided in 2009.

Lane B-84: Chicago, IL to Wapakoneta, OH

B-84	PP	Chicago, IL to Wapakoneta, OH	CSXT tariff $4176	R/VC 301%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Wapakoneta, OH.
3. Customer directs that all shipments be made to the third-party processor, American Industrial Partners.

CSXT possesses market dominance because:

4. {{ }}
5. Destination is a third-party processor. See Part II-B-3.a.(1)(e).
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2009-2010 rate increase: { }[84] See Part II-B-3.a.(3)(b).

[84] Rate first provided in 2009.

Lane B-86: New Orleans, LA to Thomson, GA

B-86	PE	New Orleans, LA to Thomson, GA	CSXT tariff $7140	R/VC 409%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Thomson, GA.

CSXT possesses market dominance because:

3. {{ }}
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. {{ }} See Part II-B-3.a.(3)(b).
6. Cumulative 2009-2010 rate increase: { }[85] See Part II-B-3.a.(3)(b).

[85] Rate first provided in 2009.

Lane B-87: New Orleans, LA to Tarboro, NC

B-87	PE	New Orleans, LA to Tarboro, NC	CSXT tariff $8783	R/VC 364%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}.
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Tarboro, NC.
3. Customer is a broker that directs all shipments be made to General Foam.

CSXT possesses market dominance because:

4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. {{ }} See Part II-B-3.a.(3)(b).
6. Cumulative 2009-2010 rate increase: { }[86] See Part II-B-3.a.(3)(b).

[86] Rate first provided in 2009.

Lane B-89: Memphis, TN to Horse Cave, KY

B-89	PS	Memphis, TN to Horse Cave, KY	CSXT tariff $5392	R/VC 506%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery location in Horse Cave, KY.

CSXT possesses market dominance because:

3. Customer does not have the silo storage space to accept bulk trucks. See Part II-B-3.a.(1)(b).
4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-91: New Orleans, LA to Matthews, NC

B-91	PE	New Orleans, LA to Matthews, NC	CSXT tariff $8557	R/VC 440%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Matthews, NC.
3. {{ }}

CSXT possesses market dominance because:

4. {{ }}[87]
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. {{ }}
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

[87] {{ }}

Lane B-93: Chicago, IL to North Vernon, IN

B-93	PE	Chicago, IL to North Vernon, IN	CSXT tariff $4187	R/VC 312%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to interchange with Madison Railroad in North Vernon, IN.
3. { } is a broker that directs all shipments to { } Therefore, the destination is the same for both customers.

CSXT possesses market dominance because:

4. {{ }}
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2008-2010 rate increase: { }[88] See Part II-B-3.a.(3)(b).
9. {{ }}

[88] Rate first provided in 2008.

Lane B-94: New Orleans, LA to Pendergrass, GA

B-94	PP	New Orleans, LA to Pendergrass, GA	CSXT tariff $6104	R/VC 355%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Pendergrass, GA.

CSXT possesses market dominance because:

3. Customer lacks sufficient silo storage to accept bulk truck deliveries. See Part II-B-3.a.(1)(b).
4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-96: Chicago, IL to Francesville, IN

B-96	PE	Chicago, IL to Francesville, IN	CSXT tariff $4182	R/VC 634%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery location in Francesville, IN.
3. All three customers are brokers that direct their shipments to the same physical location under the name of either Francesville Drain & Tile Corporation or Fratco.

CSXT possesses market dominance because:

4. {{ }}
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2009-2010 rate increase: { }[89] See Part II-B-3.a.(3)(b).
9. {{ }}

[89] Rate first provided in 2009.

Lane B-97: New Orleans, LA to Jefferson, GA

B-97	PS	New Orleans, LA to Jefferson, GA	CSXT tariff $6087	R/VC 386%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #6 below	2009	{ }	{{ }}	{{ }}
Transload	item #6 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery location in Jefferson, GA.
3. Customer is a broker that directs that all shipments be made to a bulk terminal operated by ZKR Express.

CSXT possesses market dominance because:

4. {{ }}
5. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
6. Truck and transload rates are not applicable because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
7. {{ }}
8. Cumulative 2009-2010 rate increase: { }[90] See Part II-B-3.a.(3)(b).
9. {{ }}

[90] Rate first provided in 2009.

Lane B-98: New Orleans, LA to Jefferson, GA

B-98	PP	New Orleans, LA to Jefferson, GA	CSXT tariff $6087	R/VC 387%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #6 below	2009	{ }	{{ }}	{{ }}
Transload	item #6 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Jefferson, GA.
3. Customer is a broker that directs that all shipments be made to a terminal operated by ZKR Express.

CSXT possesses market dominance because:

4. {{ }}
5. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
6. Truck and transload rates are not applicable because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
7. Cumulative 2009-2010 rate increase: { }[91] See Part II-B-3.a.(3)(b).

[91] Rate first provided in 2009.

Lane B-100: Memphis, TN to Gallaway, TN

B-100	PE	Memphis, TN to Gallaway, TN	CSXT tariff $4518	R/VC 1006%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload {{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery location in Gallaway, TN.
3. Both customers are brokers that instruct TPI to deliver their shipments to Medegen Medical Products.

CSXT possesses market dominance because:

4. Medegen uses TPI's product in medical applications. See Part II-B-3.a.(1)(f).
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3)(b).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-101: Memphis, TN to Glasgow, KY

B-101	PP	Memphis, TN to Glasgow, KY	CSXT tariff $5098	R/VC 476%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Glasgow, KY.

CSXT possesses market dominance because:

3. {{ }}
4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
7. {{ }}

Lane B-102: New Orleans, LA to Ackerman, GA

B-102	PE	New Orleans, LA to Ackerman, GA	CSXT tariff $6062	R/VC 414%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #7 below	2009	{ }	{{ }}	{{ }}
Transload	item #7 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery location in Ackerman, GA.
3. Both customers are brokers that instruct TPI to deliver their products to a bulk terminal operated by Sea Pac Inc.

CSXT possesses market dominance because:

4. {{ }}
5. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
6. {{ }}
7. Truck and transload rates are not applicable because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
8. Cumulative 2009-2010 rate increase: { }[92] See Part II-B-3.a.(3)(b).
9. {{ }}

[92] Rate first provided in 2009.

Lane B-103: New Orleans, LA to Beech Island, SC

B-103	PP	New Orleans, LA to Beech Island, SC	CSXT tariff $7147	R/VC 401%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	{{ [redacted] }}	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload{{ [redacted] }}	{{ [redacted] }}	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with BNSF to delivery location in Beech Island, SC.

CSXT possesses market dominance because:

3. Direct truck rate is {{ [redacted] }} higher. See Part II-B-3.a.(2).
4. Transload cost is {{ [redacted] }} higher. See Part II-B-3.a.(3).
5. Cumulative 2006-2010 rate increase: { [redacted] } See Part II-B-3.a.(3)(b).
6. {{ [redacted] }}

Lane B-104: New Orleans, LA to Deland, FL

B-104	PE	New Orleans, LA to Deland, FL	CSXT tariff $7740	R/VC 386%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Direct truck	item #5 below	2009	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}
Transload	item #5 below	2010	{ [redacted] }	{{ [redacted] }}	{{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with BNSF to delivery location in Deland, FL.
3. Customer is a broker that operates out of a bulk terminal operated by Davies Trucking.

CSXT possesses market dominance because:

4. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
5. Truck and transload rates are not applicable because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
6. Cumulative 2006-2010 rate increase: { [redacted] } See Part II-B-3.a.(3)(b).
7. {{ [redacted] }}

Lane B-105: New Orleans, LA to Hamlet, NC

B-105	PE	New Orleans, LA to Hamlet, NC	CSXT tariff $6909	R/VC 329%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Hamlet, NC.
3. Customer directs all shipments to a third-party processor, Alpha Plastics.

CSXT possesses market dominance because:

4. Destination is a third-party processor. See Part II-B-3.a.(1)(e).
5. {{ }}
6. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
7. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
8. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

Lane B-106: New Orleans, LA to Hamlet, NC

B-106	PS	New Orleans, LA to Hamlet, NC	CSXT tariff $6909	R/VC 328%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with CN to delivery location in Hamlet, NC.
3. Customer is a broker that instructs TPI to deliver all shipments to its customer, Impact Plastic South.

CSXT possesses market dominance because:

4. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
5. Transload cost is {{ }} higher. See Part II-B-3.a.(3)(b).
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
7. {{ }}

Lane B-108: Chicago, IL to Akron, OH

B-108	PE	Chicago, IL to Akron, OH	CSXT tariff $5045	R/VC 360%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery location in Akron, OH.
3. { } is a compounder.
4. { } is a broker that directs all shipments to { } Therefore both customers ship to the same destination.

CSXT possesses market dominance because:

5. Destination is a compounder. See Part II-B-3.a.(1)(e).
6. {{ }}
7. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
8. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
9. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
10. {{ }}.

Lane B-109: Chicago, IL to Lima, OH

B-109	PE	Chicago, IL to Lima, OH	CSXT tariff $4170	R/VC 308%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #9 below	2009	{ }	{{ }}	{{ }}
Transload	item #9 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery location in Lima, OH.
3. All three customers instruct TPI to ship to Luckey Trucking, which operates a bulk terminal in the CSXT rail yard at 401 E. Robb Avenue in Lima.
4. { } is a broker at Lima that stores railcars at the Luckey Trucking site, and then ships them out again on CSXT when it receives an order from one of its customers.
5. { } is a broker that transloads the product for truck delivery to its customers.
6. { } is a customer that uses the Luckey Trucking terminal to transload product for delivery by trucks.
7. See also, Part II-B-2.b. for more facts related to intramodal competition

CSXT possesses market dominance because:

8. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
9. Truck and transload rates do not apply because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
10. Only {{ }} trucks in 2008 and {{ }} in 2009 and 2010. {{ }}
11. Cumulative 2007-2010 rate increase: { }[93] See Part II-B-3.a.(3)(b).

[93] Rate first provided in 2007.

Lane B-110: Chicago, IL to Lima, OH

B-110	PP	Chicago, IL to Lima, OH		CSXT tariff $4170	R/VC 308%
Transportation modes to reach TPI customer		**Rate**	**Year**	**Railcar volume**	**Truck volume**
					rail equivalent / trucks
Rail using CSXT tariff		{{ [redacted] }}	2008	{ [redacted] }	{{ [redacted] }} / {{ [redacted] }}
Direct truck		item #7 below	2009	{ [redacted] }	{{ [redacted] }} / {{ [redacted] }}
Transload		item #7 below	2010	{ [redacted] }	{{ [redacted] }} / {{ [redacted] }}

Lane Facts

1. Customer is { [redacted] }
2. Transportation is from interchange with BNSF to delivery location in Lima, OH.
3. Customer is a broker that directs all shipments be made to the Luckey Trucking terminal site in the CSXT rail yard at 401 E. Robb Avenue.
4. See also, Part II-B-2.b. for more facts related to intramodal competition

CSXT possesses market dominance because:

5. Destination is a customer-selected bulk terminal. See Part II-B-3.a.(1)(i).
6. {{ [redacted] }}
7. Truck and transload rates do not apply because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
8. Cumulative 2007-2010 rate increase: { [redacted] }[94] See Part II-B-3.a.(3)(b).

[94] Rate first provided in 2007.

Lane B-111: Chicago, IL to Pittsfield, MA

B-111	PP	Chicago, IL to Pittsfield, MA	CSXT tariff $8530	R/VC 406%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Pittsfield, MA.

CSXT possesses market dominance because:

3. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
4. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
5. Cumulative 2009-2010 rate increase: { }[95] See Part II-B-3.a.(3)(b).
6. {{ }}

[95] Rate first provided in 2009.

Lane B-112: New Orleans, LA to Dalton, GA

B-112	PP	New Orleans, LA to Dalton, GA	CSXT tariff $5965	R/VC 328%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #12 below	2009	{ }	{{ }}	{{ }}
Transload	item #12 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in Dalton, GA.
3. { } are brokers that use bulk terminals to serve their customers.
4. { } stores the product at the CSXT Transflo site in Dalton and, upon reselling the product, transloads to trucks for delivery to its customers.
5. { } resells TPI's product from the CSXT Transflo terminal, from where Dixie Transport does the hauling to its customers.
6. { } instructs TPI to ship to a CSXT-served terminal operated by Dixie Transport, from which it ships by truck to its customers upon reselling the product.
7. { } is an end-user that instructs TPI to ship to a CSXT-served terminal from where Bulk Carriers, a trucking company { } transports the product { }

CSXT possesses market dominance because:

8. Destinations are customer-selected bulk terminals. See Part II-B-3.a.(1)(i).
9. {{ }}
10. {{ }}
11. {{ }}
12. Truck and transload rates are not applicable because it would be irrational to send trucks to a bulk terminal where product would have to be transloaded into railcars for storage, and then transloaded out of railcars back into trucks. See note 18, supra.
13. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
14. {{ }}

Lane B-113: Chicago, IL to Clarksburg, WV

B-113	PE	Chicago, IL to Clarksburg, WV	CSXT tariff $6481	R/VC 365%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from interchange with BNSF to delivery location in Clarksburg, WV.
3. Customer is a broker that directs all shipments be delivered to Medical Action Industries.

CSXT possesses market dominance because:

4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-115: Chicago, IL to Indianapolis, IN

B-115	PP	Chicago, IL to Indianapolis, IN	CSXT tariff $4020	R/VC 520%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in Indianapolis, IN.
3. Both customers are brokers.
4. { } instructs TPI to ship to RTP Company.
5. { } instructs TPI to ship to Max Katz Bags.

CSXT possesses market dominance because:

6. {{ }}
7. Max Katz Bags has insufficient silo storage to accept truck deliveries. See Part II-B-3.a.(1)(b).
8. {{ }}
9. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
10. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
11. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).

{{ }}

Lane B-116: Social Circle, GA to Covington, GA

B-116	PP	Social Circle, GA to Covington, GA	CSXT tariff $3305	R/VC 820%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume[96]	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #8 below	2009	{ }	{{ }}	{{ }}
Transload	item #8 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from { } GRWR to the customer in Covington, GA.
3. This is one of three outbound movements that follow inbound movements { } }
4. In combination with either Lane B-1 or B-28, this lane is an alternate route to Lane B-43.
5. {{ }}

CSXT possesses market dominance because:

6. { }
7. Movement is outbound { }
8. Truck and transload rates are not applicable because GRWR is captive to CSXT and is not a bulk terminal. In addition, because the preceding inbound move to Social Circle, via Lanes B-1 or B-28, is captive to CSXT, CSXT's market dominance over those movements necessarily extends to this movement, which cannot occur without the preceding movement. See note 18, supra. If TPI intended to truck or transload these shipments to the customer, it would use the options presented for Lane B-43.
9. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
10. {{ }}

[96] The truck volumes shown are not from Social Circle. The trucks in 2008 originated at bulk terminals { }. The trucks in 2009 and 2010 originated at SIT yards { }. TPI would only ship trucks from these locations if there was no inventory at Social Circle, and it would never ship trucks from Social Circle.

Lane B-117: Social Circle, GA to Athens, GA

B-117	PP	Social Circle, GA to Athens, GA	CSXT tariff $3348	R/VC 534%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #6 below	2009	{ }	{{ }}	{{ }}
Transload	item #6 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from { } GRWR to the customer in Athens, GA.
3. This is one of three outbound movements that follow inbound movements { }
4. In combination with either Lane B-1 or B-28, this lane is an alternate route to Lane B-9.

CSXT possesses market dominance because:

5. Movement is outbound { }
6. Truck and transload rates are not applicable because GRWR is captive to CSXT and is not a bulk terminal. In addition, because the preceding inbound move to Social Circle, via Lanes B-1 or B-28, is captive to CSXT, CSXT's market dominance over those movements necessarily extends to this movement, which cannot occur without the preceding movement. See note 18, supra. If TPI intended to truck or transload these shipments to the customer, it would use the options presented for Lane B-9.
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-118: Social Circle, GA to Conyers, GA

B-118	PP	Social Circle, GA to Conyers, GA	CSXT tariff $3328	R/VC 776%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #6 below	2009	{ }	{{ }}	{{ }}
Transload	item #6 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from { } GRWR to the customer in Conyers, GA.
3. This is one of three outbound movements that follow inbound movements { }
4. In combination with either Lane B-1 or B-28, this lane is an alternate route to Lane B-120.

CSXT possesses market dominance because:

5. Movement is outbound { }
6. Truck and transload rates are not applicable because GRWR is captive to CSXT and is not a bulk terminal. In addition, because the preceding inbound move to Social Circle, via Lanes B-1 or B-28, is captive to CSXT, CSXT's market dominance over those movements necessarily extends to this movement, which cannot occur without the preceding movement. See note 18, supra. If TPI intended to truck or transload these shipments to the customer, it would use the options presented for Lane B-120.
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Lane B-119: Chicago, IL to Evansville, IN

B-119	PS	Chicago, IL to Evansville, IN	CSXT tariff $4974	R/VC 512%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	item #5 below	2009	{ }	{{ }}	{{ }}
Transload	item #5 below	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customer is { }
2. Transportation is from { } Chicago to delivery location in Evansville, IN.
3. Same customer as Lane B-19, but { } Lane B-19 origin is Bruns, LA.

CSXT possesses market dominance because:

4. Only truck shipments occurred in 2010 and constituted less than {{ }} of total volume.
5. Direct truck and transload rates are not applicable {{ }}. See note 18, supra. If TPI intended to truck or transload shipments to the customer, it would use the options presented for Lane B-19.
6. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
7. {{ }}

Lane B-120: New Orleans, LA to Conyers, GA

B-120	PP	New Orleans, LA to Conyers, GA	CSXT tariff $6064	R/VC 410%

Transportation modes to reach TPI customer	Rate	Year	Railcar volume	Truck volume	
				rail equivalent	trucks
Rail using CSXT tariff	{{ }}	2008	{ }	{{ }}	{{ }}
Direct truck	{{ }}	2009	{ }	{{ }}	{{ }}
Transload{{ }}	{{ }}	2010	{ }	{{ }}	{{ }}

Lane Facts

1. Customers are { }
2. Transportation is from interchange with BNSF to delivery locations in Conyers, GA.
3. This is an alternate direct rail route to a combination of Lanes B-1 or B-28 with B-118.

CSXT possesses market dominance because:

4. {{ }}
5. Direct truck rate is {{ }} higher. See Part II-B-3.a.(2).
6. Transload cost is {{ }} higher. See Part II-B-3.a.(3).
7. Cumulative 2006-2010 rate increase: { } See Part II-B-3.a.(3)(b).
8. {{ }}

Part IV

PART IV

WITNESS QUALIFICATIONS AND VERIFICATIONS

This Part contains the Statements of Qualifications of the witnesses who are responsible for the Narrative portions of TPI's Opening Evidence (and the exhibits and workpapers referred to therein) identified with respect to each witness.

1. THOMAS D. CROWLEY

Mr. Crowley is an economist and President of L.E. Peabody & Associates, Inc., an economic consulting firm that specializes in solving economic, financial, marketing, and transportation problems. The Firm's offices are located at 1501 Duke Street, Suite 200, Alexandria, VA, 22314, 760 E. Pusch View Lane, Tucson, AZ 85737 and 21 Founders Way, Queensbury, NY 12804.

Mr. Crowley is sponsoring portions of TPI's Opening Evidence in Part II. Specifically, Mr. Crowley is co-sponsoring Part II-A with Witness Timothy D. Crowley.

Mr. Crowley is a graduate of the University of Maine from which he obtained a Bachelor of Science degree in Economics. He has also taken graduate courses in transportation at The George Washington University in Washington, D.C. He spent three years in the United States Army and has been employed by L.E. Peabody & Associates, Inc. since February, 1971. He is a member of the American Economic Association, the Transportation Research Forum, and the American Railway Engineering Association.

As an economic consultant, Mr. Crowley has organized and directed economic studies and prepared reports for railroads, freight forwarders and other carriers, shippers, associations, and state governments and other public bodies dealing with transportation and related economic and financial matters. Examples of studies in which he has participated include organizing and directing traffic, operational and cost analyses in connection with multiple car movements, unit train operations for coal and other commodities, freight forwarder facilities, TOFC/COFC rail facilities, divisions of through rail rates, operating commuter passenger service, and other studies dealing with markets and the transportation by different modes of various commodities from both eastern and western origins to various destinations in the United States. The nature of these studies has enabled Mr. Crowley to become familiar with the operating and accounting procedures utilized by railroads in the normal course of business.

Additionally, Mr. Crowley has inspected both railroad terminal and line-haul facilities used in handling general freight, intermodal and unit train movements of coal and other commodities in all portions of the United States. The determination of the traffic and operating characteristics for specific movements was based, in part, on these field trips.

In addition to utilizing the methodology for developing a maximum rail rate based on stand-alone costs, Mr. Crowley also presented testimony before the ICC in Ex Parte No. 347 (Sub-No. 1), *Coal Rate Guidelines - Nationwide*, the proceeding that established this methodology and before the STB in Ex Parte No.

657 (Sub-No. 1), *Major Issues In Rail Rate Cases*, the proceeding that modified the application of the stand-alone cost test. Mr. Crowley also presented testimony in a number of the annual proceedings at the STB to determine the railroad industry current cost of capital, i.e., STB Ex Parte No. 558, *Railroad Cost of Capital*. He has submitted evidence applying ICC (now the STB) stand-alone cost procedures in numerous rail rate cases. He has also developed and presented numerous calculations utilizing the various formulas employed by the ICC and STB (both Rail Form A and Uniform Railroad Costing System ("URCS")) to develop variable costs for rail common carriers. In this regard, Mr. Crowley was actively involved in the development of the URCS formula, and presented evidence to the ICC analyzing the formula in Ex Parte No. 431, *Adoption of the Uniform Railroad Costing System for Determining Variable Costs for the Purposes of Surcharge and Jurisdictional Threshold Calculations.*

As a result of his extensive economic consulting practice since 1971 and his participating in maximum-rate, rail merger, and rule-making proceedings before the ICC and the STB, Mr. Crowley has become thoroughly familiar with the operations, practices and costs of the rail carriers that move traffic over the major rail routes in the United States.

VERIFICATION

I, Thomas D. Crowley, verify under penalty of perjury that I have read the Opening Evidence of Total Petrochemicals USA, Inc. in this proceeding that I have sponsored, as described in the foregoing Statement of Qualifications, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.

Thomas D. Crowley

Executed on May 4, 2011

2. PHILIP H. BURRIS

Mr. Burris is Senior Vice President of L.E. Peabody & Associates, Inc., an economic consulting firm with offices in Alexandria, VA. The specific evidence Mr. Burris is sponsoring relates to the development of qualitative market dominance in Part II-B, Exhibit II-B-10 which he is co-sponsoring with Witness Sean D. Nolan.

Mr. Burris received his Bachelors in Science in Business Administration from Virginia Polytechnic Institute and State University in 1971. He was awarded a Masters in Business Administration, specializing in transportation economics, from American University in 1978. Mr. Burris has worked in the consulting industry for a period of 33 years. In addition to his current position as Senior Vice President of L.E. Peabody & Associates, Inc., Mr. Burris has been an employee of the following consulting firms: A. T. Kearney, Wyer Dick & Associates, Inc. and George C. Shaffer & Associates.

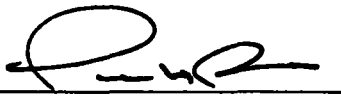
Mr. Burris has extensive experience in the field of transportation economics as it pertains to transportation supply alternatives, plant location analysis, regulatory policy and dispute resolution before regulatory agencies as well as state and federal courts. He has designed, directed and executed analyses of the costs of moving various commodities by different modes of transportation including rail, barge, truck, pipeline and intermodal. He has also performed economic analyses of maximum reasonable rate levels for the movement of coal and other commodities using the Board's CMP methodology, and specifically the stand-

alone cost constraint. Mr. Burris has submitted evidence regarding market dominance issues and maximum reasonable rate levels using the stand-alone cost constraint to the Board and its predecessor and testified before the Railroad Commission of Texas, the Colorado Public Utilities Commission, the Illinois Commerce Commission, the Public Service Commission of Nevada and various state and federal courts.

In the public sector, Mr. Burris has performed studies and written draft reports for the Railroad Accounting Principles Board, an independent body created by Congress to establish cost accounting principles for use in implementing the regulatory provisions of the Staggers Act of 1980.

VERIFICATION

I, Philip H. Burris, verify under penalty of perjury that I have read the Opening Evidence of Total Petrochemicals USA, Inc. in this proceeding that I have sponsored, as described in the foregoing Statement of Qualifications, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.



Philip H. Burris

Executed on May 4, 2011

3. TIMOTHY D. CROWLEY

Mr. Crowley is a Vice President of L.E. Peabody & Associates, Inc., an economic consulting firm that specializes in solving economic, financial, marketing, and transportation problems. Mr. Timothy Crowley is co-sponsoring TPI's opening quantitative market dominance evidence in Part II-A with Mr. Thomas D. Crowley.

Mr. Crowley received a Bachelor of Science degree in Management with a concentration in Finance from Boston College in 2001. He graduated cum laude. He has been employed by L.E. Peabody & Associates, Inc. since 2002.

Mr. Crowley has provided analytical support for both market place and litigation projects sponsored by L. E. Peabody & Associates, Inc. The analytical support included the gathering, reviewing and analyzing of data from the major Class I railroads, the Surface Transportation Board and various other government and public sources. The analyses conducted by Mr. Crowley have included the development of the transportation costs associated with the movement of chemicals, coal and other products to different destinations located throughout the country.

Mr. Crowley has also assisted in developing the return on road property investment realized by major western railroads for specific sections of rail. These studies were used in variable, avoidable, and stand-alone cost analyses. He has forecasted transportation revenues included in transportation contracts entered

into by major companies, taking into account the adjustment factors used in specific contracts. Additionally, Mr. Crowley has reviewed virtually all major transportation coal contracts between eastern and western railroads and the major consumers of coal in the United States. The results of this review were presented to the Surface Transportation Board in various maximum rate cases.

Mr. Crowley has experience with the Surface Transportation Board's Simplified Standards For Rail Rate Cases issued in Ex Parte 646 (Sub No. 1). He has undertaken extensive analyses related to the revised guidelines for Non-Coal Proceedings, which incorporates a three benchmark methodology. This methodology includes calculations using the Revenue Shortfall Allocation Method (RSAM), in which Mr. Crowley was trained by members of the Surface Transportation Board. Mr. Crowley also has extensive experience with the Surface Transportation Board's recently revised full stand alone cost procedures.

VERIFICATION

I, Timothy D. Crowley, verify under penalty of perjury that I have read the Opening Evidence of Total Petrochemicals USA, Inc. in this proceeding that I have sponsored, as described in the foregoing Statement of Qualifications, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.

Timothy D. Crowley

Executed on May 4, 2011

4. SEAN D. NOLAN

Mr. Nolan is a Vice President of L. E. Peabody & Associates, Inc. an economic consulting firm with offices in Alexandria, VA, Tucson, AZ and Queensbury, NY. Mr. Nolan is co-sponsoring the development of qualitative market dominance included in Part II-B, Exhibit II-B-10 along with Witness Philip H. Burris.

Mr. Nolan received a Bachelor of Arts degree in Psychology with a minor in Economics from Bates College in 1988, and a Master of Business Administration degree from the University of Phoenix in 2006, specializing in managerial accounting. Mr. Nolan first joined the firm of L. E. Peabody & Associates, Inc. in November 1989.

Since 1989, Mr. Nolan participated in the development of cost of service analyses for the movement of coal over the major eastern and western coal-hauling railroads and he has conducted on-site studies of switching, detention and line-haul activities relating to the handling of coal. He has also participated in several projects providing potential build-out opportunities as effective competition in utilities' fuel procurement initiatives. Procurement initiatives have included the purchasing of fuel, transportation services, equipment, and management of inventories. Alternative scenarios have been supported by tailored financial models developed to estimate cost reductions and savings, actual versus budgeted variances, revenue to variable cost of service relationships, cash flows, and break-even and sensitivity analysis.

In his tenure with L. E. Peabody & Associates, Inc., Mr. Nolan collected and analyzed information needed to efficiently calculate rail costs utilizing the Surface Transportation Board's ("STB") Uniform Railroad Costing System ("URCS") to determine the maximum rate a captive shipper should pay based on the STB's constrained market pricing principles, and has supported the development and presentation of traffic and revenue forecasts, operating expense forecasts, and discounted cash-flow models presented in proceedings before the STB.

Mr. Nolan has submitted evidence to the STB regarding market dominance issues.

VERIFICATION

I, Sean D. Nolan, verify under penalty of perjury that I have read the Opening Evidence of Total Petrochemicals USA, Inc. in this proceeding that I have sponsored, as described in the foregoing Statement of Qualifications, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.

Sean D. Nolan

Executed on May 4, 2011

MICHAEL GOINS
General Manager – Supply Chain and Regulatory Affairs
TOTAL PETROCHEMICALS USA, INC.

Mr. Goins is sponsoring factual evidence pertaining to the commodities produced by TOTAL PETROCHEMICALS USA, INC. ("TPI") and TPI's distribution network for transporting those commodities to its customers. Mr. Goins' testimony encompasses TPI's transportation costs, contracts, modes, and providers; TPI's use of leased tracks and bulk terminals; and other supply chain issues. Additionally, Mr. Goins' testimony addresses the transportation needs and requirements of TPI's customers and TPI's supply contracts with its customers. These issues are discussed in Part I ("Counsel's Argument and Summary of Evidence") and Part II-B ("Qualitative Market Dominance").

Mr. Goins is qualified and competent to provide testimony in this proceeding. Since May 2008, Mr. Goins has held the position of General Manager, Supply Chain and Regulatory Affairs for TPI and his responsibilities include purchasing, transportation and distribution operations, supply chain strategy, business and facilities management, organization and methods management, energy management, and government affairs. Mr. Goins began his career with TPI in 1984 and has held a number of positions including Product/Supply Chain Manager in two of TPI's business units.

During his career, Mr. Goins has been involved in the American Chemistry Council, the Plastics Foodservice Packaging Group, and the Plastics Pipe Institute, all in leadership or officer positions. Mr. Goins is a member of the National Freight Transportation Association.

Mr. Goins earned a Bachelor of Science in Mechanical Engineering from The University of Texas, Austin, and an MBA from The University of Houston.

VERIFICATION

I, Michael Goins, verify under penalty of perjury that I have read the Opening Evidence of TOTAL PETROCHEMICALS USA, INC. in this proceeding that I have sponsored, as described in the foregoing Statement of Qualifications, that I know the contents thereof, and that the same are true and correct based on my knowledge, information, and belief. Further, I certify that I am qualified and authorized to file this statement.

Michael Goins
General Manager – Supply Chain and Regulatory Affairs

Executed on 28-April-2011

ALLEN CAST
Manager – Transportation & Distribution Sourcing & Strategy
TOTAL PETROCHEMICALS USA, INC.

Mr. Cast is sponsoring factual evidence pertaining to the commodities produced by TOTAL PETROCHEMICALS USA, INC. ("TPI") and TPI's distribution network for transporting those commodities to its customers. Mr. Cast's testimony encompasses TPI's transportation costs, contracts, modes, and providers; TPI's use of leased tracks and bulk terminals; and other supply chain issues. Additionally, Mr. Cast's testimony addresses the transportation needs and requirements of TPI's customers and TPI's supply contracts with its customers. These issues are discussed in Part I ("Counsel's Argument and Summary of Evidence") and Part II-B ("Qualitative Market Dominance").

Mr. Cast is qualified and competent to provide testimony in this proceeding. Since July 2008, Mr. Cast has held the position of Manager – Transportation & Distribution Sourcing & Strategy for TPI and his responsibilities include sourcing freight carriers, warehouses, transloading terminals, rail equipment, packaging material, as well as strategic distribution network design to increase value in the supply chain. Mr. Cast began his career with TPI in June of 2007 as the Category Manager, Class I Railroads. Prior to joining TPI, Mr. Cast has been employed by other large industrial companies in the logistics and/or sales field. The majority of his 20-plus years of experience has been in the petroleum and chemical industry.

During his career, Mr. Cast has provided studies on remote inventory reduction of forward stored plastics, optimization of transloading networks, railroad transit performance, rail car fleet sizing, freight negotiations strategies, and contract valuations. Mr. Cast has also worked closely with various railroads to improve service, reduce capital requirements for railroads and

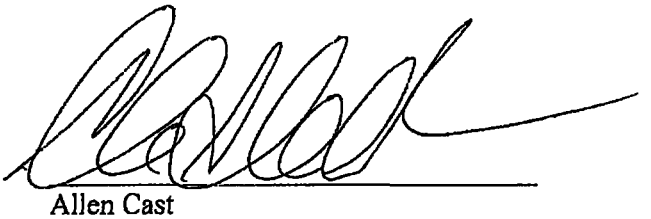
shippers, reduce the liability of railroads, create optimal shipper yards, and optimize the use of railroad equipment.

Mr. Cast is a member of the National Industrial Transportation League, North American Rail Shippers, and National Freight Transportation Association. During his career, Mr. Cast has also been a member of the Southwest Chemical Association and The Portland Cement Association. Mr. Cast has spoken on rail trends and reduction of demurrage to rail shipper groups, as well as participated in the National Industrial Transportation League's Rail Transportation and Highway Transportation Committees.

Mr. Cast carned a Bachelor of Science in Chemical Engineering from the University of Houston.

VERIFICATION

I, Allen Cast, verify under penalty of perjury that I have read the Opening Evidence of TOTAL PETROCHEMICALS USA, INC. in this proceeding that I have sponsored, as described in the foregoing Statement of Qualifications, that I know the contents thereof, and that the same are true and correct based on my knowledge, information, and belief. Further, I certify that I am qualified and authorized to file this statement.



Allen Cast
Manager – Transportation & Distribution Sourcing & Strategy

Executed on 4/28/11

MELISSA RICHARDS
Advisor – Supply Chain Strategy
TOTAL PETROCHEMICALS USA, INC.

Ms. Richards is sponsoring factual evidence pertaining to the commodities produced by TOTAL PETROCHEMICALS USA, INC. ("TPI") and TPI's distribution network for transporting those commodities to its customers. Ms. Richards' testimony encompasses TPI's transportation costs, contracts, modes, and providers; TPI's use of leased tracks and bulk terminals; and other supply chain issues. Additionally, Ms. Richards' testimony addresses the transportation needs and requirements of TPI's customers and TPI's supply contracts with its customers. These issues are discussed in Part I ("Counsel's Argument and Summary of Evidence") and Part II-B ("Qualitative Market Dominance").

Ms. Richards is qualified and competent to provide testimony in this proceeding. Since February 5, 2009, Ms. Richards has held the position of Advisor--Supply Chain Strategy for TPI and her responsibilities include strategic planning for all transportation modes, including rail fleet budgeting, rail fleet sizing and bulk terminal network optimization. Ms. Richards began her career with TPI in February 2009 as the Advisor--Supply Chain Strategy. Prior to joining TPI, Ms. Richards worked as a rail logistics manager, railcar procurement specialist and analyst for petrochemicals.

During her career, Ms. Richards has been involved in the Southwest Association of Rail Shippers and the Houston Transportation Professionals Association. Ms. Richards earned a Bachelor of Science in Business Management from Western Governors University, Salt Lake City, UT.

VERIFICATION

I, Melissa Richards, verify under penalty of perjury that I have read the Opening Evidence of TOTAL PETROCHEMICALS USA, INC. in this proceeding that I have sponsored, as described in the foregoing Statement of Qualifications, that I know the contents thereof, and that the same are true and correct based on my knowledge, information, and belief. Further, I certify that I am qualified and authorized to file this statement.

Melissa Richards

Melissa Richards
Advisor – Supply Chain Strategy

Executed on 4/28/2011

SHERI REYNOLDS
Strategic Planning Advisor
TOTAL PETROCHEMICALS USA, INC.

Ms. Reynolds is sponsoring factual evidence pertaining to the commodities produced by TOTAL PETROCHEMICALS USA, INC. ("TPI") and TPI's distribution network for transporting those commodities to its customers. Ms. Reynolds' testimony encompasses TPI's transportation costs, contracts, modes, and providers; TPI's use of leased tracks and bulk terminals; and other supply chain issues. Additionally, Ms. Reynolds' testimony addresses the transportation needs and requirements of TPI's customers and TPI's supply contracts with its customers. These issues are discussed in Part I ("Counsel's Argument and Summary of Evidence") and Part II-B ("Qualitative Market Dominance").

Ms. Reynolds is qualified and competent to provide testimony in this proceeding. Since August 1, 2009, Ms. Reynolds has held the position of Strategic Planning Advisor for TPI and her responsibilities include department, business unit and global reporting on transportation and distribution activities; planning and budgeting business unit T&D expenses; supporting Sourcing and Sales with information on freight rates; assisting with Supply Chain SAP change management; and related projects. Ms. Reynolds began her career with TPI in January 1986 as the Customer Service Representative. She worked both Domestic and Export Customer Service, Customer Service Supervisor, and Demand Planner for polymers. She also has seven years experience designing and supporting the TPI SAP operations system.

Ms. Reynolds earned a Bachelor of Business Administration in General Business from the University of North Texas, Denton, Texas.

VERIFICATION

I, Sheri Reynolds, verify under penalty of perjury that I have read the Opening Evidence of TOTAL PETROCHEMICALS USA, INC. in this proceeding that I have sponsored, as described in the foregoing Statement of Qualifications, that I know the contents thereof, and that the same are true and correct based on my knowledge, information, and belief. Further, I certify that I am qualified and authorized to file this statement.

Sheri Reynolds
Strategic Planning Advisor

Executed on April 28, 2011

Exhibit II-A-1

EXHIBIT II-A-1

CONFIDENTIAL INFORMATION REDACTED

Exhibit II-A-2

EXHIBIT II-A-2

CONFIDENTIAL INFORMATION REDACTED

Exhibit II-A-3

EXHIBIT II-A-3

CONFIDENTIAL INFORMATION REDACTED

Exhibit II-A-4

EXHIBIT II-A-4

CONFIDENTIAL INFORMATION REDACTED

Exhibit II-A-5

EXHIBIT II-A-5

CONFIDENTIAL INFORMATION REDACTED

Exhibit II-A-6

EXHIBIT II-A-6

CONFIDENTIAL INFORMATION REDACTED

Exhibit II-A-7

EXHIBIT II-A-7

CONFIDENTIAL INFORMATION REDACTED

Exhibit II-B-1

EXHIBIT II-B-1

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-2

Exhibit II-B-2
Source: Electronic Work Paper "TPI-Op_Ex_II-B-2 workpaper"

		Percentage of Sales by Mode				
Commodity	**Mode**	**2006**	**2007**	**2008**	**2009**	**2010**
Aromatics	Rail	34.39%	35.53%	30.27%	24.93%	28.51%
	Truck	65.61%	64.47%	69.73%	75.07%	71.49%
Aromatics Total						
Aromatics (Styrene)	Rail	32.67%	45.41%	45.77%	50.81%	47.20%
	Truck	67.33%	54.59%	54.23%	49.19%	52.80%
Aromatics (Styrene) Total						
Polyethylene HD	Rail	79.17%	79.55%	79.77%	82.17%	82.85%
	Truck	20.83%	20.45%	20.23%	17.83%	17.15%
Polyethylene HD Total						
Polypropylene	Rail	85.86%	86.13%	86.56%	87.93%	85.98%
	Truck	14.14%	13.87%	13.44%	12.07%	14.02%
Polypropylene Total						
Polystyrene	Rail	67.87%	70.29%	68.44%	65.17%	62.45%
	Truck	32.13%	29.71%	31.56%	34.83%	37.55%
Polystyrene Total						

Exhibit II-B-3

EXHIBIT II-B-3

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-4

EXHIBIT II-B-4

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-5

EXHIBIT II-B-5

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-6

EXHIBIT II-B-6

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-7

EXHIBIT II-B-7

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-8

EXHIBIT II-B-8

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-9

EXHIBIT II-B-9

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-10

QUALITATIVE MARKET DOMINANCE DETERMINATION

I. INTRODUCTION

At issue in this proceeding are the rail rates charged by CSXT for its movement of TPI's products[1] between 104 unique origin/destination pairs. There is abundant evidence which clearly demonstrates that no effective competition exists for the 104 origin/destination pairs, even though direct truck or rail/truck alternatives physically exist for nearly all of the 104 unique origin/destination pairs. The rates charged by the alternative providers for many of these origin/destination pairs are substantially higher than those charged by CSXT.

There are 58 origin/destination pairs where the rates charged by the alternative transportation providers are less than or approximate those charged by CSXT.[2] For these 58 origin/destination pairs, TPI has undertaken an economic analysis, which demonstrates that the transportation alternatives for these origin destination pairs are not economically efficient substitutes for CSXT's rates at issue.

The purpose of this Exhibit II-B-10 is to quantify both CSXT's cost structure and that of the service providers comprising the available transportation alternatives for 58 of the 104 origin/destination pairs included in 4th Amended Exhibit A or 4th Amended Exhibit B.[3]

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[1] Including polypropylene, polystyrene, polyethylene, styrene and aromatics.

[2] This determination is based solely upon a comparison of the rates that are charged for the alternative transportation services. When additional costs imposed upon TPI by transloading are considered (e.g. personnel, rail car, and inventory costs), there are only 17 lanes where the total costs of transloading are less than or approximate the cost of direct-rail service. See TPI Op. Ex. II-B-5 and II-B-6.

[3] The 58 origin/destination pairs are included in this analysis because the rates for the transportation alternative are less than or within 10 percent of those charged by CSXT.

QUALITATIVE MARKET DOMINANCE DETERMINATION

Exhibit II-B-10 is organized below under the following topical headings:

II. Effective Competition

III. Determination of Market Dominance

IV. Conclusions

QUALITATIVE MARKET DOMINANCE DETERMINATION

II. EFFECTIVE COMPETITION

To make a determination of market dominance, the STB must find that the defendant carrier does not face effective competition from alternative carrier(s) whether other rail carriers, competing modes or a combination of modes. *Effective* competition is not the same as the mere existence of competition for a particular service. In the recent *DuPont* small rate cases,[4] the Board reaffirmed the long-established principal that comparable pricing among modes does not, by itself, constitute effective competition:

> Even if we were to find that the cost of trucking the product is similar to the cost of using rail after the CSXT rate increase, it does not follow that the threat of trucking is evidence of effective competition. After all, even a monopolist finds that there is a profit-maximizing price beyond which it cannot raise prices without adversely affecting its bottom line. A carrier possessing market power might set its rates so high that it would begin to lose business to a higher-cost alternative (such as a trucking company). As the Board has previously noted, while this may create an "outer limit" constraint, it does not necessarily mean that effective competition is present (underline in original) (footnotes omitted).

Moreover, in *McCarty Farms*,[5] the Interstate Commerce Commission stated: "The existence of intermodal competition is not enough to establish a lack of market dominance", and in *FMC*,[6] the STB stated:

> We conclude that the fact that the [carrier] matches prices set by alternatives with significantly higher costs, while maintaining a

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[4] See, *E.I. du Pont de Nemours and Company v. CSX Transportation, Inc* , STB Docket No. 42099 (served June 30, 2008).
[5] (3 I.C.C. 2d 832).
[6] FMC 4 S.T.B. 718.

> dominant market share, is not enough to demonstrate effective competition for the traffic at issue.

Also, in *APS*[7], the court upheld this notion of effective competition:

> At the core of the "effective competition" standard is the idea that there are competitive, market pressures on the railroads deterring them from charging monopoly prices for transporting goods. *Of course, any such effective competition will always be relative to a particular price that the railroads charge* ***. The mere existence of some alternative does not in itself constrain the railroads from charging rates far in excess of the just and reasonable rates that Congress though the existence of competitive pressures would ensure. (Emphasis in original).

To demonstrate the lack of effective competition, we have examined the economics underlying the challenged rail rates; the economics underlying the transload alternatives; and the margins available to both service providers. For an effective competitive constraint to exist, CSXT's cost of providing the service must be comparable to or greater than that of the cost of providing the alternative service by all carriers and service providers in that supply chain. If this is not the case, and CSXT's costs are substantially lower than that of its competitor(s), CSXT has the ability to set its rates just below the alternative providers' cost of service, thereby forcing the alternative provider(s) out of that business and allowing CSXT to earn monopoly profits. Analytically this test is determined by performing the following steps:

1) Determine CSXT's margin for each rate at issue, i.e., the difference between the rate and CSXT's variable cost of providing the service;

2) Determine the cost of providing the alternative service;

3) Subtract the cost of the alternative service from the CSXT rate;

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[7] *Ariz. Pub. Serv. Co. v. U.S.*, 742 F.2d 644, 650-51 (D.C. Cir. 1984).

QUALITATIVE MARKET DOMINANCE DETERMINATION

4) Compare CSXT's margin (Step 1) to the rail rate less the cost of the alternative service (Step 3); and

5) If CSXT's margin (Step 1) is greater than Step 3, then the alternative is not an effective constraint on CSXT's pricing and CSXT is market dominant.

Our findings are that for each of the 58 origin/destination pairs which have transportation alternatives, the cost of providing the alternative service is substantially more than CSXT's cost of providing the service at issue. Stated differently, we find that CSXT's margin from the rates at issue exceed the difference between CSXT's rate on the issue movement and the cost of the alternative service by a substantial margin. CSXT has sufficient market power to force the competitor out of the market place. The net result is that CSXT is market dominant in each of the 58 issue origin/destination pairs identified as having transportation alternatives whose rates are less than or approximate those charged by CSXT.

The methodology used in this analysis is discussed in the balance of this Exhibit II-B-10 and summarized in the Attachments to this Exhibit.

QUALITATIVE MARKET DOMINANCE DETERMINATION

III. DETERMINATION OF MARKET DOMINANCE

As stated above, a determination of market dominance requires an examination of the economics underlying both the rates at issue and those of the available alternatives and the margins that can be earned by the defendant carrier. For an effective competitive constraint to exist, CSXT's cost of providing the service must be comparable to or greater than the cost of providing the alternative service by all carriers and service providers in that supply chain. Stated differently, if CSXT's margin from the rates at issue, minus the difference between the CSXT rail rate and the cost of providing the alternative service is substantially positive, then the alternative is not an effective constraint on CSXT's pricing and CSXT possesses market dominance over the issue traffic.

To demonstrate CSXT's market dominance for each of the 58 origin/destination pairs identified, we: 1) determined the rail margin for each origin/destination pair; 2) determined the cost of providing the alternative service; 3) subtracted the cost of the alternative service from the rail rate; and 4) compared the rail margin to the rail rate, less the alternative cost of providing the service. The procedures and methodology are first discussed generally by topic, i.e., revenue, rail costs, truck costs and transload facility fee. Then, the specifics of the procedures are discussed under each of the three groups of transportation alternatives described above. These are:

1. Alternative service provided by Norfolk Southern Railway ("NS"), Canadian National Railway ("CN") or Canadian Pacific Railway ("CP"), also referred to individually as ("alternative rail carrier") in combination with a truck transload, where it receives the traffic from the originating rail carrier at the same interchange location where CSXT receives the issue traffic movements from the originating carrier;

QUALITATIVE MARKET DOMINANCE DETERMINATION

2. Alternative service provided by an alternative rail carrier in combination with a truck transload, where it receives the traffic from same originating carrier, but at an interchange location which is different than the interchange location where CSXT receives the issue traffic movements from the originating carrier; and

3. The originating carrier delivers the shipments directly to a truck transload facility for delivery to the customer by truck.

A. OVERALL METHODOLOGY

A brief description of the overall methodology we followed is included in this section of Exhibit II-B-10. The details supporting our calculations are included in the accompanying work papers.

1. Rail Revenue

Rail revenue in our analysis is based on the CSXT rates at issue, including the average fuel surcharge applied by CSXT in 1Q2011. Revenues for rail carriers other than CSXT are included in those instances where CSXT is not the delivering carrier, but instead delivers the product to a regional or shortline carrier for delivery to the customer. For these lanes the revenues for the delivering carrier are included in our analysis.[8] This is required because the competing transportation alternative includes delivery by truck to the ultimate destination rather than the point of interchange with the delivering carrier. Therefore, to compare the relative economics of the transportation at issue with the alternative, the comparison of relative margins must be made to the ultimate destination.

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[8] Shortline or regional carriers deliver TPI's products in 10 of the 58 origin/destination pairs considered in this analysis.

QUALITATIVE MARKET DOMINANCE DETERMINATION

2. Rail Costs

For each of the 58 origin/destination pairs CSXT's Uniform Railroad Costing System ("URCS") Phase III costs of providing service based on the STB's 2009 URCS unit costs were developed. In addition to CSXT variable cost, URCS Phase III costs were developed for connecting carriers included in the analysis where appropriate. URCS costs for NS, CN and CP are based on the STB's 2009 URCS unit costs for each of these carriers. Connecting carrier variable costs were included in our analysis for Class II and Class III carriers when they are delivering carriers for an existing route of movement. URCS costs for Class II and Class III carriers are based on the STB's 2009 URCS regional costs. URCS costs for all carriers are indexed to 1Q2011 wage and price levels.

3. Truck Costs

Each transportation alternative involves a rail/truck combination with delivery to the destination by motor carrier. The highway miles for the motor carrier portion of the alternatives range from {[redacted]} loaded highway miles up to {[redacted]} loaded highway miles and the average loaded highway miles for all alternatives equals {[redacted]} miles.

Marginal truck costs were developed for each of the alternatives based on the truck cost per mile found in the December 2008 report titled *An Analysis of the Operational Costs of Trucking*, by the American Transportation Research Institute ("ATRI"). This report provides a marginal cost per mile for the Motor Carrier industry of $1.73 per loaded or empty mile for truckload, less-than-truckload and specialty carriers combined.

Polypropylene, polystyrene and polyethylene are typically transported in pellet form. To transport pellets by motor carrier, specialized carriers operating self-loading and unloading

QUALITATIVE MARKET DOMINANCE DETERMINATION

pneumatic/vacuum trailers are utilized. As recognized in the ATRI Report, the $1.73 marginal cost per mile understates the actual cost incurred by specialized motor carriers. The Report indicates at several locations that costs for specialty carriers are greater than the industry average. For instance at page 16, the report indicates that wages for drivers of specialty carriers are paid 28 percent more than the compensation for the average carrier. In addition, at page 13, the Report acknowledges that specialized carriers operate more expensive, specially-engineered equipment and have a significantly higher cost per mile than the truckload and less-than-truckload sectors. Further, at page 14 the Report indicates that specialized carriers have the highest repairs and maintenance; and insurance premiums for specialized carriers are 130 percent higher than truckload carriers.[9] Finally, page 15 of the Report states that permitting costs for specialized carriers are considerably higher than for the average carrier.

For reasons cited above, the $1.73 marginal cost per mile understate the actual cost incurred by the specialized motor carriers that would move TPI's product. Based on these statements from the ATRI Report, we increased the driver wage related costs by 28 percent to more accurately reflect the wages of specialty carriers. This adjustment to the $1.73 average truck cost results in a specialty carrier 2008 cost per mile of $1.899,[10] which was then indexed to 1Q2011 levels using the Producer Price Index for "Truck Transportation". This produces a specialty carrier cost per mile of $1.905 at 1Q2011 wage and price levels.

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[9] As shown on page 9 of the Report, truckload carriers comprise 51 percent of the survey responses on which the average cost per mile is based.

[10] Messer's Burris and Nolan submitted evidence similar to that presented in Exhibit II-B-10 in STB Docket No. 42133, *M&G Polymers USA, LLC v CSX Transportation, Inc.* on February 18, 2011. In that evidence Messer's Burris and Nolan relied on the motor carrier industry cost per mile of $1.73. As explained above, in this statement the motor carrier industry cost per mile has been adjusted to reflect the driver wages of a specialty carrier based on adjustments referred to in the ATRI Report.

QUALITATIVE MARKET DOMINANCE DETERMINATION

The $1.905 marginal cost per mile was applied to the truck miles from transload to destination provided by TPI for each origin/destination pair and increased to reflect a 100 percent empty backhaul.[11] In addition, motor carrier costs are increased by a factor of four to reflect a rail car equivalent cost, based on the assumption that four truckloads equal the payload of one railcar. Thus the motor carrier railcar equivalent cost per mile equals $7.62 per loaded mile. By comparison, CSXT's cost per mile based on the STB's CSXT URCS unit costs applied to the 58 origin/destination pairs in this analysis equals ${[redacted]} or only {[redacted]} percent of the motor carrier rail car equivalent cost.

In addition, motor carrier costs for transload from rail to truck and for truck cleaning are included in this analysis. To estimate the transload cost, we accepted the driver's wage cost for specialty carriers including benefits, and bonuses per hour from the ATRI Report, indexed to 1Q2011 wage and price levels, multiplied by {[redacted]} hours for transload activities.[12] This yields a railcar equivalent cost per transload of $270.34.

Truck cleaning costs are based on the labor costs for "cleaners of vehicles and equipment" as reported by the Bureau of Labor statistics, and an assumption that two persons working two hours are required to clean a self-loading and unloading pneumatic/vacuum trailer. The cost of labor for cleaning equals $68.00 per trailer, and are applied to each truckload based on {[redacted]}.

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[11] Specialized carriers such as those operating self-loading and unloading pneumatic/vacuum trailers have little to no opportunity for loaded backhaul shipments and as a result typically operate with a 100 percent empty backhaul.

[12] The {[redacted]} hours for transload activities is based on the time used by CSXT Witness Gordon R. Heisler in his October 1, 2010 Verified Statement in this proceeding.

QUALITATIVE MARKET DOMINANCE DETERMINATION

4. Transfer Facility Fee

Transfer facility fees and storage charges are also included for each of the truck transload facilities ranging up to ${[redacted]} and storage charges per railcar based on information provided by TPI. These charges typically include a lease payment for track space and hourly charges for a person to assist with the transloading process.

B. SPECIFIC APPLICATION TO INDIVIDUAL ORIGIN/DESTINATION PAIRS

The specific application of our methodology to individual origin/destination pairs is discussed below and is organized under each of the three categories of transportation alternatives identified above.

1. Alternative Rail Carrier/ Truck Combination From Same Interchange With Originating Carrier

For 33 of the 58 origin/destination pairs, the alternative transportation is based on an alternative rail carrier receiving TPI's traffic from the originating carrier at the existing CSXT interchange location. The alternative rail carrier then transports TPI's product to a transload facility for delivery to destination by truck.

As discussed above, the marginal cost of motor carrier service is substantially greater than that of rail service. Motor carrier marginal costs are estimated to equal $1.905 per loaded or empty mile, and given that four trucks are required to produce one rail car equivalent, the effective rail car equivalent truck cost equals $7.62 per loaded or empty mile. Given that

specialized motor carriers expect to have a 100 percent empty backhaul the effective motor carrier cost for moving TPI's product equals $15.24 per mile. Substituting highway miles for motor carrier miles results in a substantially greater cost of providing service.

The rail miles for the transportation alternatives are longer than CSXT's rail miles for the existing route for 10 of the 33 origin/destination pairs with the same interchange locations. In addition to these higher rail miles, the motor carrier highway miles must be added, which as demonstrated earlier are very costly relative to CSXT's cost per mile. The rail miles for the remaining 23 transportation alternatives in this group are shorter than CSXT's rail miles; however, by definition each transportation alternative requires shipment by motor carrier. As stated earlier, on average the mileage added for all alternatives equals {[redacted]} loaded highway miles.

Attachment No. 1 to this Exhibit II-B-10 lists each of the 33 origin/destination pairs in this group and shows the existing rail rates and costs for the issue movements to destination and the costs of the rail/truck alternative.[13] As shown in Attachment No. 1, the cost of the rail carrier/truck alternative is up to 4.6 times higher than that of the existing route of movement at issue in this proceeding. Most importantly, Attachment No.1 shows that the margin from the issue rates on these origin/destination pairs is substantially greater than the issue rates, less the cost of the truck alternative. This difference ranges from ${[redacted]} per carload to ${[redacted]} per carload with an average difference equal to ${[redacted]} per carload for these 33 origin/destination

[13] Development of Attachment No. 1 can be found in workpaper "Attachments to Exhibit II-B-10.xlsx".

pairs. Our analysis demonstrates that CSXT clearly has market dominance over each of these origin/destination pairs.

As discussed previously, CSXT does not deliver TPI's product to destination in some instances. Of the 33 lanes where the transportation alternative utilizes the same interchange location as the issue movement, these movements are terminated by a Class II or Class III rail carrier. As the rail/truck combination rates are rates to destination, not to interchange with the existing delivering rail carrier, the rail revenues and rail costs shown in Attachment No. 1 to Exhibit II-B-10 include both CSXT and the connecting carriers' data.

The CSXT costs are based on the STB's 2009 CSXT URCS unit costs and the STB's Phase III cost program. Costs for the rail/truck alternative include the STB's 2009 URCS unit costs for the alternative rail carriers and the STB's Phase III cost program, truck costs as previously described, truck transload and truck cleaning costs plus transload facility fees discussed in the previous section.

2. Alternative Rail Carrier/ Truck Combination From a Different Interchange with the Originating Carrier

For 21 of the 58 origin/destination pairs, the alternative transportation is based on an alternative carrier receiving TPI's traffic from the originating carrier at an interchange location that is different than the interchange location used in the existing route. From this interchange location, the alternative rail carrier transports TPI's product to a transload facility for delivery to destination by truck.

The alternative interchange locations are shown in Table No. 1 below.

QUALITATIVE MARKET DOMINANCE DETERMINATION

Table No. 1
Alternative Interchange Locations

Existing Interchange (1)	Alternative Interchange (2)
1. Memphis	East St. Louis
	New Orleans
2. New Orleans	Chicago
	East St. Louis
3. Chicago	East St Louis
	Durand, MI
4. Effingham, IL	Chicago

Attachment No. 2 to this Exhibit II-B-10 lists each of the 21 origin/destination pairs in this group and shows the existing rail rates and costs for the issue movements to destination and the costs of the rail/truck alternative.[14] As shown in Attachment No. 2, the cost of the rail/truck alternative is up to 5.9 times higher than that of the existing route of movement at issue in this proceeding. Most importantly, Attachment No. 2 shows that the margin from the issue rates on these origin/destination pairs is substantially greater than the issue rates, less the cost of the truck alternative. This difference ranges from $[redacted] to $[redacted] per carload with an average difference equal to $[redacted] per carload for these 21 origin/destination pairs.

Our analysis demonstrates that CSXT clearly has market dominance over each of these origin/destination pairs.

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[14] Development of Attachment No. 2 can be found in workpaper "Attachments to Exhibit II-B-10.xlsx".

QUALITATIVE MARKET DOMINANCE DETERMINATION

The CSXT costs are based on the STB's 2009 CSXT URCS unit costs and the STB's Phase III cost program. Costs for the alternative rail carrier/truck alternative include the STB's 2009 URCS unit costs for both the originating carrier and for NS, CN or CP, the STB's Phase III cost program, truck costs as previously described, truck transload and truck cleaning costs and transload facility fees discussed in the previous section.

3. Originating Carrier/Truck Delivery to Destination

The final group is comprised of four origin/destination pairs where the originating carrier transports TPI's product directly to a transload facility for delivery to destination by truck. In each instance the transload facility is in the same locality as the existing interchange point between the originating carrier and CSXT.

Attachment No. 3 to this Exhibit II-B-10 lists each of the four origin/destination pairs in this group and shows the existing rail rates and costs for the issue movements to destination and the costs of the truck alternative.[15] As shown in Attachment No. 3, the cost of the truck alternative is up to 3.7 times higher than that of the CSXT's existing route of movement at issue. The data in Attachment No. 3 demonstrates that the margin from the CSXT's rates on these origin/destination pairs is substantially greater than the issue rates, less the cost of the truck alternative. This difference ranges from $\${[redacted]}$ to $\${[redacted]}$ per carload with an average difference in equal to $\${[redacted]}$ per carload for these four origin/destination pairs.

[15] Development of Attachment No. 3 can be found in workpaper "Attachments to Exhibit II-B-10.xlsx".

QUALITATIVE MARKET DOMINANCE DETERMINATION

Our analysis demonstrates that CSXT clearly has market dominance over each of these origin/destination pairs.

The CSXT costs are based on the STB's 2009 CSXT URCS unit costs and the STB's Phase III cost program. Costs for the truck alternative include truck costs as previously described, truck transload and truck cleaning costs and transload facility fees discussed in the previous section.

QUALITATIVE MARKET DOMINANCE DETERMINATION

IV. CONCLUSIONS

Our analysis of the economics of the issue traffic rates and CSXT's existing operations with those of the identified transportation alternatives, demonstrate that CSXT's margin from the rates at issue exceed the difference between CSXT's rate on the issue movement and the cost of the alternative service by a substantial margin. CSXT has sufficient market power to force a competitor out of the market place in each of the 58 issue lanes evaluated. The net result is that CSXT is market dominant in each of the 58 issue lanes where the rates charged for the alternative services is less than or approximate that charged by CSXT.

ATTACHMENT 1

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

ATTACHMENT 2

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

ATTACHMENT 3

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-11

EXHIBIT II-B-11

HIGHLY CONFIDENTIAL INFORMATION

REDACTED

Exhibit II-B-12

EXHIBIT II-B-12

HIGHLY CONFIDENTIAL INFORMATION

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